

**CONTENTS**

**Appropriation Language/Background..... 105**

- Authorizing Legislation..... 105
- Appropriation Language ..... 106
- Language Analysis ..... 109
- Significant Items in Appropriations Committee Reports ..... 112
- Improper Payments ..... 124
- Pilot Programs ..... 129
- Utilization of SSA Programs for Muscular Dystrophy ..... 137
- Disability Case Processing System (DCPS)..... 139
- Consultative Examinations..... 147
- Appropriation History ..... 150
- SSA-Related Legislation Enacted February 9, 2018 – March 18, 2019 ..... 154

**General Statement/Budgetary Resources/Performance..... 155**

- Limitation on Administrative Expenses Overview ..... 155
- Key Assumptions ..... 155
- Size and Scope of SSA's Programs ..... 156
- Funding Request..... 157
- All Purpose Table..... 159
- SSI State Supplementation ..... 161
- Impact of States Dropping Out of State Supplementation Program ..... 162
- Budget Authority and Outlays..... 163
- Amounts Available for Obligation/Analysis of Changes..... 165
- Budgetary Resources by Object ..... 170
- Performance Targets ..... 171
- Program Integrity ..... 173
- FY 2018 Disability Decision Data ..... 174
- Priority Goals ..... 175

**Additional Budget Detail..... 176**

- Information Technology Resource Statement..... 176
- Information Technology Costs..... 177
- Recent ITS Progress and Accomplishments ..... 180
- FY 2020 ITS Budget Highlights ..... 183
- Our ITS Portfolios ..... 186
- Infrastructure ..... 188
- Agency Programmatic Applications ..... 190
- Agency Administrative Applications ..... 194
- SSA E-Gov Contributions..... 196
- Cybersecurity ..... 198
- IT Modernization..... 200
- IT Budget by Portfolio and Investment..... 208
- SSA Organizational Chart..... 209
- Employment ..... 210
- Physicians' Comparability Allowance..... 214

**Limitation on Administrative Expenses**

Maximum Physicians' Comparability Allowances..... 215  
Major Building Renovations and Repair Costs..... 216  
National Support Center..... 220  
Social Security Advisory Board..... 226  
Medicare Access and CHIP Reauthorization Act (MACRA)..... 227

**TABLES**

Table 3.1—Authorizing Legislation ..... 105

Table 3.2—Appropriation Language Analysis ..... 109

Table 3.3—Significant Items in Appropriations Committee Report ..... 112

Table 3.4—Beneficiaries with Muscular Dystrophy (by Beneficiary Type in Current Pay Status, December 2017)..... 138

Table 3.5—Age at First Benefit (Child Recipients, Ages 0-17 with Muscular Dystrophy in December 2017)..... 139

Table 3.6 —FY 2018 Consultative Examination Counts and Cost Data..... 147

Table 3.7—Appropriation History Table..... 150

Table 3.8—Federal Benefit Outlays ..... 156

Table 3.9—Beneficiaries ..... 156

Table 3.10—Budgetary Request..... 157

Table 3.11—All Purpose Table (APT)..... 159

Table 3.12—State Supplement Payments..... 161

Table 3.13—SSI User Fee Collections ..... 161

Table 3.14—Estimated SSA User Fee Collections by State..... 162

Table 3.15—Budget Authority and Outlays ..... 163

Table 3.16—Amounts Available for Obligation ..... 165

Table 3.17—Explanation of LAE Budget Changes from FY 2019 to FY 2020..... 166

Table 3.18—Budgetary Resources by Object..... 170

Table 3.19—Key Performance Targets ..... 171

Table 3.20—Program Integrity Workloads and Funding by Source ..... 173

Table 3.21—Fiscal Year 2018 Disability Decision Data..... 174

Table 3.22—Total ITS Budget Authority..... 177

Table 3.23—IT Costs..... 178

Table 3.24—LAE Expired Balances & No-Year IT Account ..... 178

Table 3.25—ITS Budget Summary by Portfolio ..... 187

Table 3.26—SSA E-Gov Contributions ..... 196

Table 3.27—Other SSA Expenses/Service Fees Related to E-Gov Projects..... 198

Table 3.28—Cybersecurity Budget Summary ..... 198

Table 3.29—Total IT Modernization Plan..... 202

Table 3.30—Dedicated IT Modernization Plan..... 202

**Limitation on Administrative Expenses**

Table 3.31—SSA Organizational Chart ..... 209

Table 3.32—FY 2018 Personnel Costs by Grade..... 210

Table 3.33—FY 2019 Estimated Personnel Costs by Grade..... 210

Table 3.34—FY 2020 Estimated Personnel Costs by Grade..... 211

Table 3.35—Historical Staff-On-Duty by Major SSA Component ..... 212

Table 3.36—FY 2018 Personnel Costs by Region ..... 212

Table 3.37—FY 2019 Estimated Personnel Costs by Region ..... 213

Table 3.38—FY 2020 Estimated Personnel Costs by Region ..... 214

Table 3.39—Physicians’ Comparability Allowance (PCA) Worksheet..... 214

Table 3.40—Maximum Physicians' Comparability Allowances 1-Year Contract ..... 215

Table 3.41—Maximum Physicians' Comparability Allowances 2-Year Contract ..... 216

Table 3.42—Actual and Planned Obligations for the New NSC..... 221

Table 3.43—FY 2018 Physical Infrastructure Costs by Component ..... 222

Table 3.44—FY 2019 Estimated Physical Infrastructure Costs by Component ..... 223

Table 3.45—FY 2020 Estimated Physical Infrastructure Costs by Component ..... 224

Table 3.46—FY 2018 Physical Infrastructure Costs by Region..... 225

Table 3.47—FY 2019 Estimated Physical Infrastructure Costs by Region..... 225

Table 3.48—FY 2020 Estimated Physical Infrastructure Costs by Region..... 226

Table 3.49—SSA Advisory Board Budget Authority by Object Class and Staffing ..... 227

Table 3.50—MACRA Spending..... 228

APPROPRIATION LANGUAGE/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 3.1—Authorizing Legislation**  
(Dollars in thousands)

	2018 Amount Authorized	2018 Enacted <sup>1,2</sup>	2019 Amount Authorized	2019 Enacted <sup>3,4</sup>	2020 Amount Authorized	2020 Estimate <sup>5,6</sup>
<b>Title II, Section 201(g)(1) of the Social Security Act</b>	Indefinite	\$12,872,945	Indefinite	\$12,876,945	Indefinite	\$12,773,000

<sup>1</sup> The Consolidated Appropriations Act, 2018 (P.L. 115-141) appropriated this amount. The total includes \$280,000,000 to remain available until expended for information technology (IT) modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization. The total also includes \$100,000,000 in available funding through September 30, 2019, for activities to address the hearings backlog within the Office of Hearings Operations. The FY 2018 total also includes \$1,735,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,462,000,000 in funds outside the discretionary caps, as authorized by the BBA of 2015 (P.L.114-74) to remain available for 18 months through March 31, 2019.

<sup>2</sup> The total includes \$118,000,000 for SSI State Supplement user fees and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act, P.L. 108-203 (SSPA).

<sup>3</sup> The Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245), appropriated this amount. The FY 2019 total includes \$45,000,000 to remain available until expended for IT modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization. The total includes \$100,000,000 in available funding through September 30, 2020, for activities to address the hearings backlog within the Office of Hearings Operations. The FY 2019 total also includes \$1,683,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,410,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available for 18 months through March 31, 2020. Public Law 115-245 allows SSA to transfer up to \$10 million of program integrity funds in the LAE account to the OIG for the costs associated with jointly CDI units in FY 2019, and the Budget continues this transfer in FY 2020.

<sup>4</sup> The total also includes \$134,000,000 for SSI State Supplement user fees and up to \$1,000,000 from fees collected pursuant to section 303(c) of the SSPA.

<sup>5</sup> FY 2020 Budget proposes that the total requested LAE budget authority of \$12.773 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million). The total includes \$1,582,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,309,000,000 in funds outside the discretionary caps, as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2021.

<sup>6</sup> The FY 2020 total includes up to \$130,000,000 for SSI State Supplement user fees, and up to \$1,000,000 from fees collected pursuant to section 303(c) of the SSPA.

## Limitation on Administrative Expenses

### 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 [\$12,741,945,000] \$12,642,000,000 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 in such section *or from the fees authorized by the fifth paragraph under this heading, except that any amounts derived from such fees are only available for the issuance of replacement Social Security cards: Provided,* That not less than \$2,400,000 shall be for the Social Security Advisory Board: [*Provided further,* That \$45,000,000 shall remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization: *Provided further,* That \$100,000,000 shall remain available through September 30, 2020, for activities to address the disability hearings backlog within the Office of Hearings Operations:] *Provided further,* That unobligated balances of funds provided under this paragraph at the end of fiscal year [2019] 2020 not needed for fiscal year [2019] 2020 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.

Of the total amount made available in the first paragraph under this heading, not more than [\$1,683,000,000] \$1,582,000,000, to remain available through March 31, [2020] 2021, is for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act, including work-related continuing disability reviews to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys: *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 [\$1,410,000,000] \$1,309,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided further*, That, of the additional new budget authority described in the preceding proviso, up to \$10,000,000 may be transferred to the "Office of Inspector General", Social Security Administration, for the cost of jointly operated co-operative disability investigation units: *Provided further*, That such transfer authority is in addition to any other transfer authority provided by law: *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.

### **Limitation on Administrative Expenses**

In addition, [~~\$134,000,000~~] *\$130,000,000* 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 [.] : *Provided, [To] That* to the extent that the amounts collected pursuant to such sections in fiscal year [2019] *2020* exceed [~~\$134,000,000~~] *\$130,000,000*, the amounts shall be available in fiscal year [2020] *2021* 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.

*The Commissioner of Social Security shall charge a \$25 fee for the issuance of a replacement Social Security card if an individual requests the issuance of such card in a field office of the Social Security Administration and a \$7 fee if an individual requests the issuance of such card online: Provided, That any fees collected pursuant to the matter preceding this proviso shall be deposited in this account and shall be available subject to the restrictions in the first paragraph under this heading: Provided further, That the Commissioner may not charge such a fee for the issuance of a new Social Security card.*

*(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2019.)*



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 \$1,582,000,000 in dedicated program integrity funding, including funding for full medical Continuing Disability Reviews (CDR), SSI non-medical redeterminations of eligibility (redeterminations), work related CDRs, cooperative disability investigation (CDI) units, and fraud prosecutions by Special Assistant United States Attorneys (SAUSA). The FY 2020 program integrity request, which proposes funding to remain available through March 31, 2021, 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 \$1,309,000,000 in additional new budget authority for the full authorized level cap adjustment level for 2020. In FY 2020, SSA may transfer up to \$10 million from its program integrity cap adjustment funds to SSA’s Inspector General (OIG) to fund CDI unit team leaders. This is an authorized use of the cap adjustment.

In addition to the appropriated amounts, SSA is requesting to spend up to \$130,000,000 in SSI State Supplement user fees and up to \$1,000,000 in non-attorney representative fees.

**Table 3.2—Appropriation Language Analysis**

Language Provision	Explanation
<i>“or from the fees authorized by the fifth paragraph under this heading, except that any amounts derived from such fees are only available for the issuance of replacement Social Security cards”</i>	The language allows SSA to use fees collected for replacement Social Security cards for the cost of processing such replacement card requests.
“Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2019] 2020 not needed for fiscal year [2019] 2020 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software	The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.

## Limitation on Administrative Expenses

Language Provision	Explanation
<p>infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: <i>Provided further</i>, 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...”</p>	<p>The language appropriates \$1,582,000,000 of dedicated program integrity funding to remain available through March 31, 2021, for SSA’s full medical CDRs, redeterminations, work related CDRs, CDI units, and fraud prosecutions by Special Assistant United States Attorneys. That amount comprises a base of \$273,000,000 and the authorized 2020 level of \$1,309,000,000 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, as amended by the Bipartisan Budget Act of 2015 (BBA). In FY 2020, SSA may transfer up to \$10 million from its program integrity cap adjustment funds to SSA’s Inspector General (OIG) to fund CDI unit team leaders. This is an authorized use of the cap adjustment.</p>
<p>“Of the total amount made available in the first paragraph under this heading, not more than [\$1,683,000,000] \$1,582,000,000, to remain available through March 31, [2020] 2021, is for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act, including work-related continuing disability reviews to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys: <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 [\$1,410,000,000] \$1,309,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: <i>Provided further</i>, That, of the additional new budget authority described in the preceding proviso, up to \$10,000,000 may be transferred to the</p>	

Language Provision	Explanation
<p>“Office of Inspector General”, Social Security Administration, for the cost of jointly operated co-operative disability investigation units: <i>Provided further</i>, That such transfer authority is in addition to any other transfer authority provided by law: <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>“In addition, [<del>\$134,000,000</del>] <i>\$130,000,000</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 [.] : <i>Provided, That</i> [T] to the extent that the amounts collected pursuant to such sections in fiscal year [2019] <i>2020</i> exceed [<del>\$134,000,000</del>] <i>\$130,000,000</i>, the amounts shall be available in fiscal year [2020] <i>2021</i> only to the extent provided in advance in appropriations Acts.”</p>	<p>The language makes available up to \$130,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$12.21 per check in FY 2019 to \$12.47 in FY 2020 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>
<p><i>“The Commissioner of Social Security shall charge a \$25 fee for the issuance of a replacement Social Security card if an individual requests the issuance of such card in a field office of the Social Security Administration and a \$7 fee if an individual requests the issuance of such card online: Provided, That any fees collected pursuant</i></p>	<p>The language provides the issuance fees that SSA will charge for replacement Social Security cards. If the Social Security card issuance request is made in a field office, the fee will be \$25, whereas, Social Security card issuance requests made online will have a \$7 fee. The</p>

**Limitation on Administrative Expenses**

<b>Language Provision</b>	<b>Explanation</b>
<i>to the matter preceding this proviso shall be deposited in this account and shall be available subject to the restrictions in the first paragraph under this heading: Provided further, That the Commissioner may not charge such a fee for the issuance of a new Social Security card.”</i>	issuance of a new Social Security card will have no fee.

**SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS**

The table below includes the significant items requested in House Report 115-862 and Senate Report 115-289 accompanying the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019.

**Table 3.3—Significant Items in Appropriations Committee Report**

<b>Administrative Funding</b>	<b>Actions Taken or To Be Taken</b>
The Limitation on Administrative Expenses (LAE) funds the administrative and operational costs for administering the Old Age and Survivors Insurance, Disability Insurance, and Supplemental Security Income programs, and associated costs for support to the Centers for Medicare and Medicaid Services in administering their programs. Within the total for LAE, the Committee provides not less than \$3,475,000,000 for Field Offices and not more than \$1,750,000,000 for Information Technology.	We acknowledge the committee’s recommendation for our administrative funding.
<b>ABLE Act</b>	<b>Actions Taken or To Be Taken</b>
The Achieving a Better Life Experience Act [ABLE Act] allows individuals and families to save for the purpose of supporting individuals with disabilities in maintaining their health, independence, and quality of life. The Committee encourages SSA to continue to conduct outreach and disseminate eligibility and benefit information on ABLE accounts. In addition, the Committee supports efforts led by IRS and in	We currently offer information about ABLE on <a href="http://www.ssa.gov">www.ssa.gov</a> and in brochures we send to Supplemental Security Income recipients ages 14 to 17. We will continue to conduct outreach and disseminate eligibility and benefit information on ABLE accounts. In addition, we will continue to build relationships with other agencies and government entities that support individuals

**Table 3.3—Significant Items in Appropriations Committee Report**

coordination with SSA and other agencies to disseminate information on the eligibility and benefits of these accounts. The Committee further encourages SSA to build relationships with other agencies and government entities that support individuals living with a disability to raise awareness, understanding, and usage of ABLÉ accounts.

living with a disability to raise awareness, understanding, and usage of ABLÉ accounts.

<b>Pilot Programs Metrics</b>	<b>Actions Taken or To Be Taken</b>
<p>Pilot programs are valuable opportunities to test the effects of potential process changes but require a well thought out design that includes clear objectives and appropriate measures to evaluate the pilot’s effectiveness. Although sometimes terms are used interchangeably, the Committee uses the term “pilots” as distinct from “demonstration programs,” which relate to programmatic changes, such as changes in eligibility rules. In addition, the Committee notes that there is not always a clear distinction between what constitutes a pilot, compared to an initiative, or a test. The Committee uses the term “pilot” to encompass all efforts to test the effects of process changes. The Committee continues to be concerned about pilot programs that lack clear objectives, evaluation plans, or metrics. The Committee expects that, prior to undertaking any new pilots, SSA will ensure that it has developed a research design that includes clear objectives for the pilot and an evaluation plan, including adequate metrics to determine the pilot’s effectiveness. Metrics should be specific, quantifiable measures that can be used to evaluate success. The Committee directs SSA to submit a report to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 90 days after the enactment of this act with a</p>	<p>Please see the Pilot Programs Metrics exhibit within the LAE section of this CJ for this information.</p>

**Table 3.3—Significant Items in Appropriations Committee Report**

description of any new pilot, initiative or test of process changes launched in fiscal year 2018, or proposed for fiscal year 2019; the objective of the pilot; the plan and timeline for evaluation; which SSA components are involved in the pilot; and the measures or metrics the SSA will use to determine the pilot’s effectiveness. In addition to the requested information for new pilots, the report should include a list of the SSA’s ongoing pilots, along with the start date for each of these pilots. Similar information should be provided in the fiscal year (FY) 2020 Congressional Justification (CJ). All SSA pilots should be included in the requested report and justification, including those undertaken as part of the Compassionate and Responsive Service (CARES) plan and in other parts of the agency. The report (and section in the justification) does not need to include programmatic demonstrations.

<b>Report on LAE Expenditures</b>	<b>Actions Taken or To Be Taken</b>
The Committee continues to request the report referenced under this heading in House Report 114-699 as part of the fiscal year 2020 Congressional Justification.	For Personnel costs by General Schedule grade, Administrative Law Judge personnel costs, Senior Executive Service personnel costs, and reemployed annuitant personnel costs, please see Tables 3.32 through 3.34. For personnel costs by region, please see Tables 3.36 through 3.38. For Information Technology costs broken out by hardware/software technology and upgrade/maintenance costs, please see Table 3.23. For Physical infrastructure costs by region and office function, please see Tables 3.43 through 3.48. For Overall costs for personnel, time and dollars for OASI, DI, SSI, and other SSA missions, please see Table 3.15. For Program Integrity work broken out by OASI, DI and SSI as well as types of spending, please see Table 3.20. For

**Table 3.3—Significant Items in Appropriations Committee Report**

	Disability Determination Services State costs and Federal staff costs, please see Table 3.18.
<p><b>Information Technology</b></p> <p>The Committee continues to request the plan referenced under this heading in House Report 114–699.</p>	<p><b>Actions Taken or To Be Taken</b></p> <p>Please see the Information Technology exhibit within the LAE section of this CJ for more information. For a copy of SSA’s IT Modernization Plan, please see <a href="https://www.ssa.gov/agency/materials/IT-Mod-Plan.pdf">https://www.ssa.gov/agency/materials/IT-Mod-Plan.pdf</a>.</p>
<p><b>Muscular Dystrophy</b></p> <p>The Committee is aware that SSA is included in the Muscular Dystrophy Coordinating Committee under the Muscular Dystrophy CARE Act Amendments enacted in September 2014. The Committee requests SSA to include in the fiscal year 2020 Congressional Justification the rate at which persons with Duchenne and Becker Muscular Dystrophy utilize SSA programs, particularly those focused on promoting employment and community independence such as the Ticket to Work Program.</p>	<p><b>Actions Taken or To Be Taken</b></p> <p>Please see the exhibit on the Utilization of SSA Programs for Muscular Dystrophy in the LAE section of this CJ for this information.</p>
<p><b>Administrative Law Judges</b></p> <p>It is vital that Administrative Law Judges (ALJs) be independent, impartial, and selected based on their qualifications. The conferees expect SSA to maintain a high standard for the appointment of ALJs, including the requirement that ALJ s have demonstrated experience as a licensed attorney and pass an ALJ examination administered by the Office of Personnel Management.</p>	<p><b>Actions Taken or To Be Taken</b></p> <p>Consistent with the Committee’s expectation to maintain a high standard for appointing ALJs, for FY 2019, we will select any ALJ hires from a list of qualified applicants who passed the most recent OPM examination. For ALJ hires in FY 2020 and beyond, we are completing the details of a hiring process that will reflect our continued efforts to protect the qualified-decisional-independence of our ALJs, while ensuring ALJs are hired in a fair and impartial manner, consistent with government-wide merit system principles.</p>

**Table 3.3—Significant Items in Appropriations Committee Report**

<b>Administrative Law Judge Hiring</b>	<b>Actions Taken or To Be Taken</b>
<p>SSA’s National Hearing Centers (NHCs) provide SSA with invaluable flexibility and support to address the hearings backlog. Understanding the value of this flexibility and support, the Committee directs SSA to ensure that its upcoming administrative law judge (ALJ) hiring decisions result in allocating additional ALJs to NHCs.</p>	<p>We agree that the NHCs provide the flexibility and support that enhances our ability to manage workloads nationally and will include the NHCs in any increase in adjudicatory capacity.</p>
<b>Disability Hearings Backlog</b>	<b>Actions Taken or To Be Taken</b>
<p>The Committee recommendation includes \$100,000,000, the same as the fiscal year 2018 level, in dedicated funding for processing the backlog of disability hearings. The Committee strongly encourages SSA to work with ALJs and other stakeholders to evaluate and implement changes, as appropriate, to streamline and improve the efficiency of the disability adjudication process while maintaining the integrity of disability programs. The Committee directs SSA to submit a report within 90 days of enactment to the Committees on Appropriations of the House of Representatives and the Senate on potential administrative changes SSA has taken and could take to streamline the disability determination and adjudication process. This could include centralizing administrative work and reorganizing management structures to focus more staff on frontline workloads; reviewing the Hearings, Appeals, and Litigation Law Manual for changes to improve the efficiency or effectiveness of the hearing process; establishing procedural rules for hearings (while preserving the non-adversarial manner of hearings and ensuring that unrepresented claimants are not disadvantaged); establishing a list of specialists and medical personnel which can be consulted by ALJs when they need access to medical experts; issuing Social Security Rulings that lists common combination of</p>	<p>We provided this report to the Committees on February 20, 2019.</p>



**Table 3.3—Significant Items in Appropriations Committee Report**

limitations for which work exists in the economy; and assigning law clerks or clerical employees to specific ALJs to reduce the number of clerical tasks that Judges are currently required to perform.

<b>Disability Case Processing System (DCPS)</b>	<b>Actions Taken or To Be Taken</b>
<p>The conferees support efforts to modernize the case processing systems used by State Disability Determination Service agencies. Division H of the Consolidated Appropriations Act, 2018 underscored States' ability to select from all available options to modernize their case processing systems. The conferees remain concerned with the progress of the DCPS upgrade. Within 90 days from the date of enactment of this Act, SSA shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate and the authorizing committees of jurisdiction. Such report shall include: (1) an update on the actions taken by SSA to permit States the ability to select from available options, including commercial off the shelf (COTS) solutions, to modernize their case processing systems, so long as the selected option has similar or better functionality as DCPS without imposing costs that are higher than using DCPS, (2) actions taken by SSA to enable COTS field production deployment, and (3) a description of any challenges, cost constraints, or legal barriers to implementation from available options.</p>	<p>Please see the DCPS exhibit within the LAE section of this CJ for this information.</p>

<b>Social Security Advisory Board</b>	<b>Actions Taken or To Be Taken</b>
<p>The Committee recommends not less than \$2,400,000 for the Social Security Advisory Board (SSAB), which is \$100,000 above the fiscal year 2018 enacted level and the fiscal year 2019 budget request. The Committee continues to support SSAB in the development of new and innovative ways</p>	<p>Please see the SSAB exhibit within the LAE section of this CJ for this information.</p>

**Table 3.3—Significant Items in Appropriations Committee Report**

SSA can achieve its mission and improve the quality of service to the public. The Committee does not include bill language providing SSAB reception and representation authority. The Committee requests information on SSAB’s need for such authority in the fiscal year 2020 Congressional Justification.

**Continuing Disability Reviews (CDR)**

**Actions Taken or To Be Taken**

The Committee notes that SSA, as a result of directives included in the fiscal year 2017 Consolidated Appropriations Act, is in the process of reviewing and updating its CDR prioritization models. The Committee looks forward to an update on the results of this assessment in the next CDR Report to Congress.

We are reexamining our processes, and we expect to include an update on our results in a future CDR report to Congress.

**Work Incentives Planning and Assistance [WIPA] and Protection and Advocacy for Beneficiaries of Social Security [PABSS]**

**Actions Taken or To Be Taken**

The conferees include \$23,000,000 for WIPA and \$7,000,000 for PABSS.

We issued PABSS awards notices in December 2018. We plan to issue WIPA award notices in June 2019.

**Medical Vocational Guidelines**

**Actions Taken or To Be Taken**

The Committee notes that SSA is in the process of updating its medical vocational guidelines, and in 2018 will complete the third year of production data collection, and begin collecting the first year of a planned and ongoing five-year refresh cycle. The Committee directs SSA to include information in future budget justifications on its ongoing efforts to improve its medical vocational guidelines.

The multi-year effort to modernize medical-vocational policy supports our Strategic Goal 2: Improve the Way We Do Business (please see the FY 2018-FY 2020 Annual Performance Report for more information). We are working to update vocational policies consistent with the evidence reflecting the modern economy. We are working with the Bureau of Labor Statistics (BLS) to provide current, and regularly updated, information about the requirements of jobs in the national economy. We will use BLS’s data to test and refine policy options.

**Table 3.3—Significant Items in Appropriations Committee Report**

Please see SSA’s annual Occupational Information System report to Congress for more information.	
<b>Vocational Experts</b>	<b>Actions Taken or To Be Taken</b>
The Committee directs the Acting Commissioner to provide an update within 45 days of enactment on SSA's plans for developing a market-based approach for acquiring vocational expert testimony, including the status of the report requested in the Explanatory Statement accompanying the Consolidated Appropriations Act, 2018. The update should address proposed scope and timeline for any planned solicitations.	We are working to satisfy this reporting requirement.
<b>Implementation of New Capability Determination Instructions</b>	<b>Actions Taken or To Be Taken</b>
The Committee recognizes the importance of SSA accurately assessing whether an individual needs a representative payee. SSA’s regulations specify that the agency will appoint a representative payee in cases where a beneficiary is not able to manage or direct the management of his or her Social Security benefits. However, the Committee recognizes that generally SSA has only evaluated a beneficiary’s ability to manage his or her benefits and has not considered a beneficiary’s ability to direct someone else to manage his or her benefits. In 2017, SSA drafted new program instructions for its front-line employees in assessing whether an individual is able to direct others to manage his or her benefits. Despite the complexity of implementing this policy, and SSA’s lack of experience making such evaluations, the instructions were developed without input from external stakeholders. The Committee is encouraged by the recent steps SSA has taken to gather stakeholder feedback and expert advice, including holding a National Disability Forum on representative payment which included some discussion of this	We will provide updates and briefings to the committees listed in this reporting provision.

**Table 3.3—Significant Items in Appropriations Committee Report**

policy. However, due to the complexity of this policy and the importance of correctly evaluating the extent to which an individual can manage (directly or indirectly) his or her benefits, the Committee believes more stakeholder engagement and expert consultation is required. The Committee also notes that SSA should consider ways to test this new policy to ensure it achieves its goals and can be implemented effectively by field office employees before expanding it program-wide. Any test of this policy should include specific objectives and metrics to assess the policy’s effectiveness. Given the Committee’s continued concerns, the Committee expects that SSA will provide the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate regular updates and briefings on the agency’s plans prior to moving forward with this policy.

<b>Field Office Closures</b>	<b>Actions Taken or To Be Taken</b>
There remains concern about decisions to close field offices that may not be in accordance with law, regulations and SSA procedures. While the SSA's Inspector General [IG] reviews decisions to close field offices, the Acting Commissioner is directed to take every action possible to maintain operations at the offices under review. SSA is directed to provide the Senate Appropriations Committee a response to IG field office reviews within 45 days of the release of the IG report, addressing any recommendations and coordinating with the General Services Administration when appropriate.	We will submit a response to the appropriate committee on any IG field office review within 45 days of the release of an IG report.

**Table 3.3—Significant Items in Appropriations Committee Report**

<b>Consultative Examinations</b>	<b>Actions Taken or To Be Taken</b>
<p>The conferees support efforts by SSA to pursue, where practicable, and in conjunction with State Disability Determination Services, pilot demonstrations that would evaluate the feasibility of, potential administrative savings from, and potential for improvements in the quality of consultative examinations from the implementation of contracts for consultative examinations. In addition, the conferees request SSA include in its fiscal year 2020 Congressional Justification the following information: (1) annual number of consultative examinations, including the number for each State, (2) the percentage of applicants who require a consultative exam, and the share of those exams which are conducted by the treating medical provider, nationally and for each state, (3) the number of days for consultative examination completion nationally, including the number of days for each State, and (4) the total cost of consultative examinations nationally, including the cost of consultative examinations by State.</p>	<p>Please see the exhibit on consultative exams in the LAE section of this CJ for this information.</p>
<b>Occupational Information System</b>	<b>Actions Taken or To Be Taken</b>
<p>SSA is developing a new Occupational Information System (OIS) that will replace the Dictionary of Occupational Titles as the primary source of occupational information used in SSA’s disability adjudication process. SSA expects to begin a new five-year data refresh cycle in fiscal year 2018 and to start using the OIS in 2020. To provide the Committee with a better understanding of the project’s costs, the Committee directs SSA to include in its annual Report on the Occupational Information System Project the estimated costs for each future fiscal year until the project is expected to be completed and the estimated cost for a five-year data refresh cycle.</p>	<p>We will include estimated future costs of the OIS project by fiscal year and estimated costs of the five-year data refresh in our annual OIS report to Congress.</p>

**Table 3.3—Significant Items in Appropriations Committee Report**

<b>Taxpayer Transparency</b>	<b>Actions Taken or To Be Taken</b>
<p>U.S. taxpayers have a right to know how the Federal Government is spending their hard-earned taxpayer dollars-especially when that money is being spent on advertising Federal programs. The Committee recommendation continues a provision to promote Government transparency and accountability by requiring Federal agencies funded in this act to include disclaimers when advertising materials are paid for with Federal funds. The Committee expects each agency to include in their fiscal year 2020 CJ information detailing how much funding was spent on advertising in fiscal year 2019.</p>	<p>Please see Table 3.16 within the LAE section of this CJ for the estimated total amount obligated for advertising in FY 2019.</p>
<b>Taxpayer Accountability</b>	<b>Actions Taken or To Be Taken</b>
<p>Given the current fiscal environment, it is imperative for Government agencies to increase efficiencies, while fulfilling statutory requirements, to maximize the effectiveness of agency programs. Since 2011, GAO has published reports showing as many as 272 areas of potential duplication and overlap. GAO has identified 792 actions to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve costs savings; or enhance revenue. While GAO has noted that the Nation has achieved \$178,000,000,000 in savings based on these reports, many more efficiencies may be realized. The Committee directed each agency funded in the fiscal year 2018 bill to report to the Committee, within 1 year of enactment, on all efforts made to address the duplication identified by the annual GAO reports along with identifying substantive challenges and legal barriers to implementing GAO's recommendations, as well as suggested legislative recommendations that could help the agency to further reduce duplication. The Committee looks forward to receiving the reports.</p>	<p>We will provide GAO updates as appropriate on our efforts to satisfy recommendations. For additional information please refer to GAO's FY 2018 report at <a href="https://www.gao.gov/products/GAO-18-371SP">https://www.gao.gov/products/GAO-18-371SP</a>.</p>

**Table 3.3—Significant Items in Appropriations Committee Report**

<b>Congressional Budget Justifications</b>	<b>Actions Taken or To Be Taken</b>
<p>Congressional justifications are the primary tool used for the Committee to evaluate budget requests, agency performance, and resource requirements. The Committee expects the fiscal year 2020 congressional justifications to include sufficient detail to justify all programs, projects, and activities contained in each department, agency, board, corporation, or commission's budget request. The justifications shall include a sufficient level of detailed data, exhibits, and explanatory statements to support the appropriations requests, including tables that outline each agency's programs, projects, and activities for fiscal years 2019 and 2020. Specifically, every bill and report number included in either the House of Representatives or Senate Appropriations bill or report or the final appropriations bill or explanatory statement of the fiscal year should be reflected within these justifications. The Committee directs the chief financial officer of each department, agency, board, corporation, or commission funded in this Act's jurisdiction to ensure that adequate justification is given to support each increase, decrease, and staffing change proposed in the fiscal year 2020 budget. When requesting additional resources, reduced funding, or eliminations of programs, changes should be outlined with an adequate justification. Should the final fiscal year 2019 appropriations bill be enacted within a timeframe that does not allow it to be reflected within the congressional justifications for fiscal year 2020, the Committee directs each department, agency, board, corporation, or commission funded in this act to submit within 30 days of enactment updated information to the Committee on funding comparisons to fiscal year 2019.</p>	<p>We included the requested information within the FY 2020 CJ.</p>

## IMPROPER PAYMENTS

---

We are committed to reducing improper payments. While our payment accuracy rates are very high, even a small error rate can add up to substantial improper payments due to the amount of benefits we pay. For instance, in FY 2018, we issued over \$1 trillion in benefit payments, while our combined overpayments and underpayments totaled almost \$8 billion. Our internal quality reviews, which are validated by a third-party auditor, indicate that approximately 99.4 percent of our Old-Age, Survivor, and Disability Insurance (OASDI) benefit payments were free of overpayment and 99.9 percent were free of underpayment in FY 2017, the last year for which we have data. For the same year, 92.7 percent of all Supplemental Security Income (SSI) benefits we paid were free of overpayment, and over 98.9 percent were free of underpayment. One of our Agency Priority Goals is to improve the integrity of the SSI program by focusing our efforts on reducing overpayments. In FYs 2019 and 2020, our target is to achieve an SSI overpayment accuracy rate of 94 percent.

We are focused on improving the quality and integrity of our programs and combatting the leading causes of improper payments. We are also looking at best practices across the Federal sector to address improper payments. In January 2016, we established the Federal Improper Payment Community of Practice, modeled after the Federal Data Exchange Community of Practice. Our goal was to:

- Tap into a collective knowledge base;
- Share best practices and find common solutions to our shared challenges;
- Build a network of Federal partners; and
- Harmonize policy and processes in concert with the Administration's priorities.

The group, which meets throughout the year, now includes 13 Federal benefit-paying agencies.

The Bipartisan Budget Act of 2015 (BBA) allowed our agency to enter into information exchanges with payroll data providers to prevent improper payments of benefits. Our previous appropriations language also encourages the use of tools to collect and maintain data regarding employment and wages to ensure proper disability and SSI benefits payments and to reduce fraud and abuse. These programs and tools have proven to be beneficial in reducing improper payments for other Federal and State benefit programs.

### **Our Comprehensive Strategy to Reduce Improper Payments**

In addition to conducting our key program integrity workloads discussed in the Budget Overview, we have a comprehensive strategy, through various initiatives, to reduce improper payments. We have identified the major causes of improper payments of OASDI and SSI benefits and developed solutions to reduce their occurrence. For example, since non-reporting of wages is a leading cause of improper payments in the SSI program, we are expanding our efforts to educate the public on reporting responsibilities. We are also enhancing our debt recovery system to make it easier for people to pay, as well as our death reporting system to ensure we are collecting accurate data from our government partners. These enhancements will strengthen our internal controls and ensure we administer our programs accurately and efficiently.



The Budget proposes to reduce improper payments in disability programs by targeting administrative resources to the development of a uniform system of reporting in *my Social Security*. This is in addition to instituting a holistic view that provides all beneficiaries' data, including income and assets, in one electronic location, while simultaneously developing a network of automated processes across other information technology (IT) platforms for work-related benefit payment adjustments, work continuing disability reviews, redeterminations, and payments to Ticket to Work (TTW) providers. In addition, future related legislative changes to address the root causes of these improper payments could include requiring suspension of benefits when beneficiaries neglect wage and resource reporting requirements, and instituting mandatory training for beneficiaries on reporting requirements prior to receipt of their first benefit checks.



## Limitation on Administrative Expenses

Video Training: Collecting timely wage reports from recipients will reduce the number and dollar amount of improper payments since the wage data will be available to process when we need it. In FY 2019, we will develop a marketing strategy to inform members of the public of their reporting responsibilities for wages and resources. By the end of FY 2020, we will work to create an online training video, available for public use, as well as display the video on the SSA Digital Signage (SSTV) in field office reception areas to inform the public about reporting resources and wages timely. Additionally, the video will remind the public about the consequences of failing to report wages and our Administrative Sanctions policy.

Notice Improvement: We will enhance our notices to include more consistent and clear language on reporting responsibilities and penalties for OASDI beneficiaries and SSI recipients. We currently inform OASDI beneficiaries, SSI recipients, and representative payees about reporting responsibilities by various methods. We apprise them during interviews, with application and redetermination forms and some award and post-eligibility notices, in check envelope enclosures, and in a booklet that accompanies award notices. Our annual Cost of Living Adjustment (COLA) notices include reminders about reporting changes that could affect benefit payments and eligibility.

Financial Accounts: Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. By the end of FY 2019, we plan to electronically collect the individual AFI authorization from an overpaid individual. We are implementing improvements to the overpayment waiver process, including automating the AFI process for waivers, because we consider an overpaid person's resources in making a decision about their ability to repay the overpayment.

Wages: Between FY 2017 and FY 2018, there was a 10.8 percent increase in successful wage reporting. In FY 2017, we implemented an online tool, myWageReport (myWR), which allows disability beneficiaries to report earnings electronically on computers, mobile devices, and smartphones through [my Social Security](#). We are improving myWR so that an individual does not have to go to a field office to set up reporting for a new employer. This enhancement is scheduled for implementation in September 2019. Further, in June 2018, we implemented functionality to allow SSI recipients, representative payees, and deemors (e.g., an ineligible spouse or parent living with the recipient) to report wages electronically. In December 2018, we implemented applications to better organize, document, and generate alerts on the wage data that we receive.

We are piloting a process to more efficiently transfer wage information from our TTW program into our internal systems for more timely adjudicative action on cases by our field offices and processing centers (PC). For more information on this pilot, please see the Pilot Programs exhibit.

Non-Home Real Property: Non-home real property (NHRP) consists of land and buildings or immovable objects that are permanently attached to the land and do not meet the definition of a home as defined by our agency. Owning real property other than a principal place of residence can cause an individual to be ineligible for SSI benefits, and undisclosed NHRP can lead to

improper SSI payments. We continue to evaluate and analyze NHRP data to determine the effectiveness of integrating third-party data in the SSI claims system.

### Data Exchanges

Our data exchanges improve organizational effectiveness and reduce costs by providing reliable data to timely determine proper benefit payments. We provide Social Security Number verification, and exchange birth, death, prisoner, and benefit payment information, as permitted under law, with Federal, State, and private partners to efficiently obtain data to ensure our payment accuracy while supporting external program needs.

Absence from the United States: We plan to implement an information exchange agreement with the Department of Homeland Security (DHS) to obtain arrival and departure data, and we are working with DHS to finalize a draft information exchange agreement. The agreement will allow our staff to request and view DHS foreign travel data for both SSI initial claims and post-eligibility records.

We continue to work on integrating foreign travel data into our systems. Phase 1 of this endeavor includes developing and implementing an on-demand request system to obtain arrival and departure information (i.e., foreign travel data). In FY 2018, we developed a roadmap to define the systems infrastructure needed to integrate DHS foreign travel data into our SSI systems. Phase 2 includes a robust, integrated data exchange for both OASDI and SSI.

Death Data: We rely on our death reporting system to prevent improper payments by stopping OASDI and SSI benefits as soon as possible after a beneficiary or recipient dies. The timely notification of an individual's death is a key means of preventing improper payments. We are updating our death reporting system to ensure we are collecting accurate data from Federal, State, and local agencies, as well as from countries with whom we have totalization agreements. We are also making enhancements to the way we process death information.

Through our IT Modernization efforts for FYs 2019 and 2020, we are planning the following enhancements:

- Continuing efforts to improve the accuracy and consistency of death information by adding nearly three million deaths to the Death Master File. These records, for non-beneficiaries, benefit external users of our data in preventing improper payments;
- Streamlining the posting of death information to facilitate more timely termination of benefits;
- Enhancing our matching criteria to help prevent erroneous death postings; and
- Implementing a data exchange with the Office of Personnel Management to obtain additional death data.

## Limitation on Administrative Expenses

Government Pension Offsets: We are required by law to reduce an individual's OASDI benefit when he or she also receives a pension from employment with a Federal, State, or local government agency during which the person did not pay Social Security taxes (i.e., "non-covered work"). The Windfall Elimination Provision (WEP) applies to individuals who receive a pension for non-covered work and retirement or disability benefits, while the Government Pension Offset (GPO) applies to individuals who receive a pension for non-covered work and a Social Security spouse's or widow(er)'s benefit.

In September 2018, we implemented the final four automation enhancements initiated by the WEP/GPO Corrective Action Plan. The Corrective Action Plan changes included automating the calculation of a lump sum payment into a monthly amount, alerting SSA to the existence of a pension for dual entitlement applications, and a process to help identify the existence of non-covered earnings to improve pension development. Additionally, to improve collection of pension information for WEP purposes, we added the ability to identify a foreign pension. As we implemented enhancements to the WEP/GPO processing screens, we provided corresponding training for our technicians. We also implemented alerts to select dual entitlement cases where we applied either WEP or GPO.

Debt Recovery: Through January 2019, we collected nearly \$108 million via approximately 153,000 Social Security Electronic Remittance System (SERS) actions for benefit overpayments.

We have been working on our Debt Management Product. The primary goals of the product are to use modern technology to create an enterprise authoritative source of debt management data, increase collection opportunities, bring efficiencies to our overpayment workloads, and resolve compliance and audit issues. In FY 2019, we will launch the initial release of *iPaySSA*, which provides individuals (with one debt in the OASDI or SSI program) the ability to access a payment portal on [www.socialsecurity.gov](http://www.socialsecurity.gov) and make payments via the Department of the Treasury's [www.pay.gov](http://www.pay.gov) website. This release of *iPaySSA* opens the door for our online remittance capabilities, which we will expand to include more robust solutions as the Debt Management Product matures toward its implementation.

Medical Cessation Processing: In January 2019, we implemented automation enhancements to minimize manual actions required for processing medical continuing disability review (CDR) benefit cessation cases. These new enhancements help to ensure more efficient processing of these cases and the timely cessation of benefit payments as warranted.

Post-Entitlement Accuracy: Our CDR enforcement process alerts records of OASDI and concurrent DI/SSI beneficiaries who may have substantial earnings after disability onset. In FY 2018, we alerted 36,000 cases using quarterly wages, and 86 percent of the completed cases resulted in a cessation of benefits. In FY 2019, we plan to alert 60,000 cases using quarterly wages. We estimate that 80 percent of the completed cases will result in a cessation.

In FY 2019, we will test the use of monthly earnings alerts to identify work activity sooner than under the current CDR enforcement process. In FY 2019, we plan to alert 20,000 cases using reported monthly earnings – we are limited by the number of people reporting monthly earnings.

From the cases selected for a work CDR due to SGA earning, we estimate a 65 percent cessation rate of completed cases.

Continued training to accurately process post-entitlement work is crucial; by the end of FY 2019, we will create national PC quality refresher training packages for benefit authorizers, claims specialists, and customer service representatives.

**Potential Entitlements:** In FY 2017, we underpaid SSI recipients who were also eligible OASDI spouse benefits by \$2.5 million. In FY 2018, we identified over 20,000 SSI recipients and Disability Insurance beneficiaries who were entitled to more advantageous benefit types and higher benefit amounts. In FY 2019, we will mail outreach notices to over 30,000 individuals who may potentially be entitled to benefits.

For more information about our efforts, please see our Annual Report to Congress on Fraud and Improper Payments in the Bipartisan Budget Act of 2015 Section 845(a) Report tab, as well as information provided on our website at <https://www.ssa.gov/improperpayments/index.html>

---

## PILOT PROGRAMS

---

The following list satisfies the request for information on agency pilot programs pursuant to House Report 115-862 accompanying the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019.

### **1. Proactive Analysis and Triage for Hearings**

The Office of Hearings Operations (OHO), in conjunction with the Office of Analytics, Review, and Oversight (OARO), began the Proactive Analysis and Triage for Hearings (PATH) pilot in April 2017. PATH combines the use of classification algorithms and previously developed data analytic methods to identify patterns and predict the likely outcome of cases pending at the hearing level. The PATH initiative also establishes procedural rules for hearings and helps us to identify and triage cases that are most likely to result in a fully favorable decision before scheduling the case for a hearing before an administrative law judge (ALJ). We review PATH cases through an informal remand to the prior adjudicative level if there is reason to believe that the revised determination could be fully favorable, or handled as an on-the-record decision prepared by a Senior Attorney Advisor.

In FY 2018, we continued to refine and more frequently refresh the PATH model to more quickly identify potential cases. We now refresh the PATH model weekly. In FY 2019, we resumed the National Adjudication Team (NAT) and incorporated it into the PATH business model. The NAT consists of Senior Attorney Advisors who screen and adjudicate cases where the evidence supports a fully favorable decision, removing those cases from the hearings backlog. We had temporarily suspended the NAT as part of our efforts to address our decision writing backlog.

### **Evaluation Plan/Timeline**

#### **FY 2019:**

- Reinstated the NAT and incorporate the NAT into the PATH business model.
- Continue to validate the PATH model.

## **Limitation on Administrative Expenses**

### **FY 2020:**

- Incorporate PATH as an automated triage tool in our Hearings and Appeals Case Processing System.

### **Measure of Success/Metrics**

We will track the number of cases reversed. In FY 2018, we reviewed over 36,000 cases through the PATH model and reversed a cumulative 8.5 percent of the cases.

## **2. Pre-Hearing Development Contacts**

OHO introduced the Pre-Hearing Development Contacts (PHDC) pilot in the hearings operation in FY 2018 as part of our continued focus on pre-hearing triage and case readiness. Specially trained hearing office staff conduct PHDCs with unrepresented claimants early in the process to explain the hearings process and better prepare unrepresented claimants for their hearing. During the PHDCs, we update claimant contact information, explain the claimant's right to representation, and obtain appropriate authorizations and information to acquire any updated medical evidence.

In January 2018, we started conducting PHDCs for two cohorts: all unrepresented continuing disability review (CDR) claimants between the ages of 18 and 25, and all unrepresented claimants in 12 offices with high populations of unrepresented claimants and higher than national average postponement rates. We expect this initiative to result in overall reductions in postponements for unrepresented claimants.

### **Evaluation Plan/Timeline**

#### **FY 2019:**

- Within the cohorts, continue to gather data on our ability to reach claimants and on postponement rates.
- Continue expanding PHDCs to hearing offices for all unrepresented claimants, giving priority to those offices with the highest populations of unrepresented claimants and postponement rates.

#### **FY 2020:**

- Fully implement PHDCs into the hearings operation business process.

### **Measure of Success/Metrics**

We will monitor the ability to successfully conduct the PHDC with claimants and the reduction of postponements. In FY 2018, of the almost 12,000 claimants we attempted to contact for a PHDC, we successfully reached claimants 55 percent of the time. In the 12 offices conducting PHDCs for all unrepresented claimants, the postponement rate for unrepresented claimants who had a successful PHDC was approximately 25 percent in 2018 compared to an approximately 60 percent postponement rate for unrepresented claimants in those offices in 2017.

## **3. Text to Speech Pilot**

The Office of Systems (OS), together with the Office of Operations (Operations), piloted a Text to Speech (TTS) initiative beginning in October 2017. Our blind and visually impaired customers can choose to receive notices and other communications in alternate formats, or Special Notice Options, other than first class mail. One of the alternate communications formats is a telephone call back option. For this format, an agency employee calls a beneficiary,

recipient, representative payee, or applicant and reads the notice or communication. Finding an automated solution to handle these calls would allow employees to focus on other customer service workloads. Our objective was to identify and develop a technology capable of ingesting our notices and creating an audio recording for customers to listen to over the phone.

**Evaluation Plan/Timeline**

The TTS pilot began in October 2017. By March 2018, we determined that the agency's existing notice producing systems and telephone systems required enhancements before we could effectively use TTS technology for notices.

We defined success by the following tasks:

- Producing spoken text;
- Converting text into speech; and
- Delivering speech to the customer.

Although TTS technology is capable of converting text into speech, we experienced challenges effectively producing and delivering the speech to the customer.

**Measure of Success/Metrics**

Our final determination is that although technology exists to meet our business needs, we are not currently positioned to take advantage of these tools without first making changes to our notice generating applications and our business processes. The pilot did not show that the technology could effectively reduce the cost of producing and delivering notices to customers without changes to the systems that produce the notices. The notices have many features formatted for a printed notice that text to speech engines have difficulty interpreting. The original goal was to use our existing printed notices to produce the spoken text. Print notices contain many visual elements that infer meaning to the content (e.g., font sizes, spacing, position on the page, tables, columns). The meaning of those visual elements is lost when the notice is converted to plain text. We completed our analysis of this pilot, and we are no longer pursuing implementation based on the evaluation of our findings.

**4. Voice to Text Pilot**

In FY 2018, together with OHO, the OS evaluated and tested Voice to Text (VTT) software to determine if it could accurately transcribe hearing notes into a searchable text file. OHO uses a multi-channel Digital Recording and Processing System to record hearings. During the process of recording the hearing, Verbatim Hearing Reporter contractors spend a significant amount of time typing log notes associated to the hearing. Our objective of the VTT pilot was to identify if there was a commercially available software product that could automate the process of preparing hearing log notes and eliminate the time-consuming manual steps.

As part of the pilot, we evaluated multiple commercially available software products to determine if an existing product met our business needs. However, no product tested met minimum quality needs. We will continue to monitor the market in FY 2019 for products to evaluate.

## Limitation on Administrative Expenses

### Evaluation Plan/Timeline

#### **FY 2018:**

- Tested and evaluated the software to see if it accurately transcribed hearing notes using a set of test files.

#### **FY 2019:**

- OS will collaborate with the Office of General Counsel, Office of Acquisition and Grants, and OHO to gain approval for sharing a sanitized audio file or a fabricated audio file with the vendor community via a Request for Information (RFI).
- Allow marketplace leaders to improve their commercially available tools. The RFI will remain open, and vendors will be able to submit responses and demonstrate their capabilities as the market matures.

### Measure of Success/Metrics

#### **FY 2018:**

- Evaluated the software for:
  - Number of times a word appears in the original transcript versus the transcription by the VTT engine;
  - Frequency of the same words/sentences appearing in the same place in both the original transcript and the VTT transcript; and
  - Comprehension of the VTT transcript when read both by itself and alongside the original transcript.
- Results: No product tested met minimum quality needs.
  - Google: 8 percent overall accuracy;
  - Amazon Web Services: 10 percent overall accuracy; and
  - Microsoft: 25 percent overall accuracy

#### **FY 2019:**

- Issue RFI so marketplace leaders are aware of our business requirements.
- Continue to test products with our test files as vendors demonstrate capabilities.

## **5. Virtual Assistant Pilot**

OS, together with Operations, is piloting a Virtual Assistant (VA) to integrate with our Click-to-Chat application. The VA will interact with customers, answering simple questions within the VA's knowledge base, to allow live customer service agents to handle matters that are more complex. The outcome will be a completed conversation or a transfer to a live agent.

The objective of our pilot is to evaluate multiple commercially available software products to determine if there is a solution to meet our business needs. If successful, we may exercise procurement options with more than one vendor to continue the proof of concept, resulting in a final option to one vendor to deploy a VA to *my Social Security* customers.

### Evaluation Plan/Timeline

#### **FY 2019:**

- Phase I with multiple vendors complete by April 2019.
- Phase II with multiple vendors complete by August 2019.
- Evaluations at the end of Phase I and II will determine if any available product meets success metrics.



- Phase II includes the development of a formal Return on Investment estimate based on continuous evaluations using success metrics to determine if we will proceed from Phase II to VA implementation.
- If a product meets success metrics, we will exercise a final option to one vendor by September 2019.

**FY 2020:**

- Deploy to production October 2019.
- Monitor post production deployment through December 2019 to evaluate, tune, and optimize VA system.
- Release tool into production. Final release dates are dependent upon release schedules for *my Social Security* and/or the Dynamic Help Customer Engagement Tool and priorities to integrate VA into their products.

**Measure of Success/Metrics**

- Goal of at least 5 percent of customer interactions completed by VA without transferring to a live agent;
- Compare the accuracy of the VA to information provided by our Program Operations Manual System, maintaining 85 percent accuracy for those chats handled totally via VA automation; and
- Utilize site reporting and VA reporting tool to determine number of clicks/questions asked to VA with the goal of 15 percent of authenticated users who require customer assistance to engage with VA.

**6. Benefits Planning Query Pilot**

Our Office of Retirement and Disability Policy (ORDP) received reports of delayed and inconsistent processing of Benefit Planning Query (BPQY) requests from employment support program service providers working with disabled beneficiaries. The BPQY is a document that contains information about a beneficiary's earnings history and assists beneficiaries to understand how future earnings may affect their disability benefits. We initiated the BPQY pilot to ensure the timely and accurate distribution of BPQYs to service providers.

Through this pilot, we will show how expedited processing of BPQY requests improve beneficiary work and earnings outcomes. Additionally, we plan to show how BPQY centralization and automation help ensure greater processing efficiency.

We established a small cadre of centralized staff who receive and process secure BPQY requests from beneficiaries, Employment Networks (EN), Work Incentives Planning and Assistance Projects, and Vocational Rehabilitation (VR) offices. The centralized staff reviews the authorization, processes the BPQY request, and emails the BPQY statement to the requestor through a secure system. The centralized process fulfills the request in a more timely, efficient, and consistent manner compared to our current business process, which requires the submission and processing of paperwork in a field office.

## **Limitation on Administrative Expenses**

### **Evaluation Plan/Timeline**

#### **FY 2019:**

- Compare the time taken to fulfill BPQY requests in the cadre to the time taken to fulfill BPQY requests from non-centralized SSA offices.
- Compare subsequent earnings outcomes for a cohort of pilot beneficiaries to earnings outcomes for non-pilot beneficiaries.
- Review feedback from participants to identify the effects a centralized BPQY process has on beneficiaries and employment support providers.

### **Measure of Success/Metrics**

We will evaluate these outcomes to determine increases in employment and earnings among beneficiaries who receive the BPQY through this pilot. We will also use our findings to support the development of a new BPQY fulfillment system currently underway, and to explore the possibility of expanding the new system nationally. Simultaneously, we will continue to collaborate with Operations to develop the organizational framework for responding to BPQY requests in a centralized location to support streamlining the fulfillment process and reducing the burden on our field offices.

## **7. Employment Network Marketing Pilot**

In FY 2019, ORDP is testing a secure process for transferring marketing information to an EN. ENs provide employment support services designed to assist disabled beneficiaries in returning to work. We invited a small sample of ENs to apply for participation in the pilot.

The goal is to increase program participation by offering ENs an opportunity to market their services directly to beneficiaries. This is the only process available for ENs to market services directly to disabled beneficiaries. We currently rely on “Good News” notices, COLA notices, and automated calls to inform beneficiaries of their eligibility to participate in the Ticket to Work (TTW) Program. These efforts direct the beneficiary to the dedicated TTW Call Center and the [choosework.ssa.gov](http://choosework.ssa.gov) website where beneficiaries can then obtain more information regarding potential service providers. However, these methods do not refer beneficiaries to specific service providers.

Through the pilot, we send participating ENs limited beneficiary contact information consisting of the name, phone number, and/or address of the disabled beneficiary using selection criteria that the ENs provide (e.g. age, zip code). ENs use the contact information in the marketing file to inform the beneficiary about the TTW program and market their services with the goal of having the beneficiary assign their Ticket to the service provider.

In the past, we distributed data on a compact disc (CD) with beneficiary information to ENs across the United States. In March 2015, we decided that providing data on a CD no longer guaranteed the protection of sensitive beneficiary information. We implemented the EN Marketing Pilot process to develop a more secure process for transferring beneficiary information to ENs. Through the pilot, we will evaluate whether this solution of sending secure, encrypted data to ENs increases Ticket Program participation.

**Evaluation Plan/Timeline**

**FY 2019:**

- Aggregate the number of beneficiary tickets assigned to participating ENs and compare with the number of tickets assigned to non-pilot ENs.
- Compare the earnings of a cohort of beneficiaries who received services from a pilot EN in FY 2017 and FY 2018 to the earnings of a cohort of beneficiaries who received services from a non-pilot EN.

**Measure of Success/Metrics**

As part of this pilot, we expect to assign 20 percent of all Ticket holders to participating ENs. We expect to see subsequent earnings from at least 40 percent of those assigned a ticket as part of this pilot. We plan to use the successful outcomes identified through this pilot to support the need to place this information into the portal for secure access by the EN service provider.

**8. Monthly Earnings Pilot**

ORDP, Operations, OS, and OARO created a process to select disabled beneficiaries for a work CDR when a beneficiary meets specified criteria and self-reports monthly earnings based on new reporting requirements in the Bipartisan Budget Act of 2015. The Monthly Earnings Pilot (MEP) will select beneficiaries completing their ninth trial work period (TWP) month or working Substantial Gainful Activity (SGA) outside of the TWP for a work CDR.

Because the monthly earnings are reported shortly after the month end, MEP will allow us to identify working disabled beneficiaries sooner compared to the current CDR enforcement operation process. This will allow us to minimize improper payments to beneficiaries.

**Evaluation Plan/Timeline**

**FY 2019:**

- Use data and the reported monthly earnings to select cases for a work CDR when reported earnings indicate the beneficiary has reached the ninth TWP month or is working SGA outside of the TWP.
- Track the results of the work CDRs using the Disability Control File and information gathered during the selection process.

**FY 2020:**

- Determine the percent of cases completing the TWP and the result of cases with SGA-level work or cases with work incentives.

**Measure of Success/Metrics**

We expect at least a 95 percent cessation rate for cases after completion of a beneficiary’s TWP. We also expect at least an 80 percent cessation rate for cases selected because of continued SGA or involving work incentives to bring earnings under SGA.

**9. Ticket to Work Notice Optimization**

The Ticket to Work (TTW) and Work Incentives Improvement Act of 1999 established the TTW program we currently administer. This program provides Disability Insurance (DI) and Supplemental Security Income (SSI) beneficiaries and recipients with more options for receiving employment services. We provide DI and SSI beneficiaries and recipients with a Ticket to obtain VR services, employment services, and other support services from ENs or State VR

## **Limitation on Administrative Expenses**

agencies of their choice. Goals of the TTW program include increasing exits from the DI and SSI programs due to work, expanding the availability of services for beneficiaries, reducing dependency on disability benefits, and obtaining benefit reductions that are greater than the cost we pay for services.

Participation rates are a key factor in the program's success. Though the program has served close to 1.2 million beneficiaries and recipients since 2000, participation in the program has been relatively low in relation to the total number of beneficiaries and recipients we serve. The TTW Notice Optimization project seeks to:

- 1) Analyze data to identify unique characteristics of our Ticket population; and
- 2) Use these data in conjunction with research on behavioral aspects of changes to our TTW notice (e.g., testing the types of notices we send, the language we use, and the timing of our notices) to optimize and target our outreach to maximize TTW participation and beneficiary earnings.

### **Evaluation Plan/Timeline**

#### **FY 2019:**

Begin analyzing administrative data to identify patterns of response to past mailings as well as characteristics associated with TTW participation and work.

#### **FY 2020:**

- Identify population characteristics that affect the employment orientation of work cohorts and the perceived vulnerabilities related to work immediately following award.
- Collaborate with the General Services Administration's Office of Evaluation Sciences to develop and begin testing behavioral dimensions of Ticket notice language, content, and delivery.

### **Measure of Success/Metrics**

We will capture data on the number of beneficiaries who we assign a Ticket, their monthly earnings, and Ticket payments. We will measure success based on increases in Ticket assignment. Currently, slightly more than 1 percent of individuals assign their Tickets in the first year. Even a small increase in Ticket assignment could lead to cost savings. Secondary outcomes of interest include earnings above substantial gainful activity and Ticket payments.

## **10. Wage Reporting Pilot**

In July 2016, ORDP implemented a Wage Reporting Pilot. This pilot enables SSA Ticket Program Manager (TPM) payment staff (currently contracted with Maximus Federal Services) to initiate or update a work or paystub report in the eWork system for more timely adjudicative action by our field offices and processing centers. TTW program service providers who are assisting SSA beneficiaries return to work report these earnings to the TPM.

The objective of our pilot is to strengthen the integrity of our TTW program and minimize improper payments due to earnings. This objective aligns with our Agency Strategic Plan Objective 3.1 – Improve Program Integrity. Necessary and timely action taken on reported wages reduces the likelihood of improper payments to disabled beneficiaries. Submitting proof of wages through the Wage Reporting Pilot provides an efficient method for ENs to receive

payment in a timely manner and subsequently supports ENs to encourage disabled beneficiaries to report wages to SSA.

**Evaluation Plan/Timeline**

**FY 2019:**

- Collect pilot Social Security Number entries in FY 2019 from TPMs.
- Research the benefit status of at least 100 disabled beneficiaries with earnings entered through the pilot and compare this cohort to at least 100 disabled beneficiaries who were also working, but not participating in the TTW Program.
- Evaluate the number of overpayment months and review how soon adjudicative decisions were made to determine if the wage reporting entries accelerated a cessation of benefits and reduced a potential overpayment.

**FY 2020:**

- Use the results of this pilot to support the automation of the wage reporting process.

**Measure of Success/Metrics**

We will capture data on the:

- Number of overpayment months incurred by individuals whose earnings the EN submitted through the Wage Reporting Pilot.
- Potential overpayment savings resulting from this pilot as well as overpayments avoided as a result of a timely work CDR facilitated through this pilot.

Our measure of success is a 10 percent lower incidence of overpayments among the group whose earnings were reported through the Wage Reporting Pilot.

---

**UTILIZATION OF SSA PROGRAMS FOR MUSCULAR DYSTROPHY**

---

The FY 2019 House Appropriations Subcommittee – Labor, Health and Human Services bill language required that we provide relevant data within our Congressional Justification on the rate at which persons with Duchenne and Becker Muscular Dystrophy utilize SSA programs, particularly those focused on promoting employment and community independence, such as the Ticket to Work (TTW) Program.

We administer two programs that support individuals with disabilities. The Disability Insurance (DI) program is contributory, covering both individuals who have paid taxes into the program and their dependents. Supplemental Security Income (SSI) is a means-tested program for disabled children, disabled adults (age 18 through full retirement age [FRA]), and aged individuals. This exhibit provides statistics on DI beneficiaries and SSI recipients who have a diagnosis code indicating muscular dystrophy as a primary or secondary impairment.

Data on the number of individuals with muscular dystrophy in the overall United States population are incomplete, according to the Department of Health and Human Services. However, for context, we note that Duchenne muscular dystrophy is the most common form among children and, thus, most likely reflected in statistics on SSI children. In addition, Duchenne and Becker (which is similar to but less severe than Duchenne) muscular dystrophy

## Limitation on Administrative Expenses

primarily affect males. The Centers for Disease Control and Prevention estimates one in every 5,600 to 7,700 males aged five through 24 in the United States has Duchenne or Becker muscular dystrophy. Finally, for adults, we note the most common form of muscular dystrophy is Myotonic muscular dystrophy.<sup>1</sup>

In December 2017, there were 37,429 DI and SSI beneficiaries under FRA with a primary or secondary diagnosis of muscular dystrophy who were in current payment status (the data do not break out the type of muscular dystrophy). Among this group, 34,106 were adult beneficiaries (age 18 to FRA).

**Table 3.4—Beneficiaries with Muscular Dystrophy<sup>2</sup>**  
(by Beneficiary Type in Current Pay Status, December 2017)

<b>Beneficiary Type</b>	<b>Number of Beneficiaries/Recipients</b>	<b>Percent of Total Beneficiaries/Recipients</b>	<b>Average Age at Start of Benefits</b>
<b>Adult (18-FRA)</b>			
<b>DI only</b>	21,594	57.7	37
<b>SSI only</b>	9,542	25.5	18
<b>Concurrent</b>	2,970	7.9	20
<b>SSI child</b>	3,323	8.9	4
<b>Total</b>	<b>37,429</b>	<b>100.0</b>	<b>30<sup>3</sup></b>

There are 3,323 children on SSI with a diagnosis of muscular dystrophy or about one out of every 356 child recipients which is less than one half a percent of child recipients. Most of these children are male (74 percent); one out of every 324 male children on SSI has an impairment code indicating muscular dystrophy.

Table 2.22 provides additional information on the child population. Most children begin receiving benefits at a very young age. The average age for the start of benefits is four. About 37 percent of child recipients receive benefits by age two, and 61 percent receive benefits by age four. Almost 87 percent of child recipients with muscular dystrophy were receiving benefits by age eight.

<sup>1</sup> Please see <https://www.nichd.nih.gov/health/topics/musculardys/conditioninfo/pages/types.aspx> and <http://www.cdc.gov/ncbddd/muscular dystrophy/data.html>.

<sup>2</sup> Source: Program statistics are based on SSA tabulations of administrative records.

<sup>3</sup> Total reflects a weighted average of the age at start of benefits for adult beneficiaries only.

**Table 3.5—Age at First Benefit<sup>1</sup>**  
 (Child Recipients, Ages 0-17 with Muscular Dystrophy in December 2017)

Child Age	Number	Percent
0-1	1,215	36.6
2-4	815	24.5
5-8	859	25.9
9-17	434	13.0
<b>Total</b>	<b>3,323</b>	<b>100.0</b>

The average age of child recipients is 11 (not shown in Table 2.22). One-quarter of child recipients were under the age of seven in December 2017, and almost three-quarters were under the age of 14.

**Activities of Adult Beneficiaries with Muscular Dystrophy**

The population under study includes not only adults who are in current pay in December 2017, but also adults that have had benefits suspended or terminated due to work. There are 35,319 such beneficiaries with an impairment code indicating muscular dystrophy.

Among such individuals:

- 4,815 (14 percent) have participated in the TTW program, receiving services from either an Employment Network (EN) or a Vocational Rehabilitation (VR) center. The vast majority of individuals participating in TTW (93 percent) received services through VR.
- 1,213 (3 percent) had benefits suspended due to work in December 2017 or had their DI or SSI benefits terminated in the past due to work.

**Allowance Rates for Child and Adult Beneficiaries with Muscular Dystrophy**

We also examined application records since 2008 and found 2,164 cases with Muscular Dystrophy listed as the impairment, and “Duchenne” included under the claim’s allegation description. These cases had a very high allowance rate at 87 percent. Allowance rates were highest for the very young and those older than age 10. Among this group:

- Those age one and younger at the time of onset were allowed at a rate of 84 percent.
- Those older than age 10 were allowed at a rate of 95 percent.
- The allowance rate for those between the ages of one and 10 was 81 percent.

**DISABILITY CASE PROCESSING SYSTEM (DCPS)**

---

The below report satisfies the request for information pursuant to Conference Report 115-952 accompanying the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019.

<sup>1</sup> Totals may not add due to rounding.

## Limitation on Administrative Expenses

### **I. Overview:**

The Social Security Administration's (SSA) Disability Case Processing System (DCPS2) will provide the flexibility and high performance necessary to process disability claims in a timely, accurate, and efficient manner. As such, DCPS2 is part of an enterprise-wide integration of electronic case processing systems across SSA offices and components, as well as State Disability Determination Services (DDS). The enterprise-wide integration of disability determination systems and processes will seamlessly move cases from intake through appeals to the Office of Hearings Operations and the Appeals Council.

Development of a national, modernized disability case processing system (DCPS2) is a critical project that will replace independently operated, legacy systems used by State DDSs. DDSs make disability determinations for SSA, and SSA compensates each State for all costs incurred, as governed by statute. This compensation covers all costs associated with case processing, including electronic processes.

DCPS2, as a common national system, will yield substantial benefits to the government and citizens. These benefits include more efficient case processing, improved citizen service, reduced administrative costs, ease in sharing of workloads across processing sites, more consistent policy-based decisions through case analysis tools support, and nationally implemented software enhancements and modifications as required by evolving laws, regulations, and policy.

Throughout DCPS2 development, SSA has remained cognizant of ensuring that taxpayer dollars are being used effectively. SSA's stewardship includes consistently engaging independent research organizations to evaluate DCPS2, as well as identify and evaluate any viable, alternative products or methods of development.

### **II. Actions Taken in FY 2018 and FY 2019 to Identify, Analyze, and Compare Any Commercial Product with Similar or Better Functionality without Imposing Costs Higher Than Using DCPS2:**

Building upon DCPS2 product functionality, DCPS2 production releases in January 2018 included support for processing initial and reconsideration of child<sup>1</sup> cases – thus encompassing delivery of case processing as scheduled. Throughout FY 2018 and into FY 2019, SSA continued steady development and delivery of DCPS2 functionality, including adult initial continuing disability reviews. Further, in addition to the nine DDS sites (Maine, Ohio, Delaware, Virginia, Rhode Island, Iowa, South Dakota, Washington, and Nebraska) deployed prior to FY 2018, DCPS2 also rolled-out to an additional five DDSs that included the District of Columbia, Vermont, Missouri, Louisiana, and Wyoming, while development continued on case processing capability. Following the product development roadmap<sup>2</sup> and deployment plan, throughout 2019 and early in calendar year 2020, DCPS2 will roll-out to an additional 34 DDS

---

<sup>1</sup> Support for processing initial and reconsideration of adult cases previously was released into production.

<sup>2</sup> For reference, the DCPS2 product development roadmap is attached.



## Limitation on Administrative Expenses

sites. The roll-out to these additional DDSs will occur while product development continues. As scheduled on the DCPS2 roadmap, product development will be completed in September 2019.

In accordance with guidance from Congress, the Office of Management and Budget, and the SSA Office of the Inspector General, SSA has continued analysis of any products in the commercial marketplace that may meet agency needs for a national, common disability case processing system. An important aspect of SSA's analysis is the engagement of independent research organizations to appropriately search the commercial marketplace and analyze any potential commercial products, including in comparison to DCPS2.

Accordingly, in FY 2018 and FY 2019, SSA engaged MITRE, a not-for-profit, federally funded, research and development center to provide an updated analysis of disability case processing products in the commercial marketplace in comparison to DCPS2. This independent research center possesses in-depth technology and research experience. Additionally, as a federally funded, not-for-profit research and development center, it is free from commercial interests, including any future contract support activities for systems that may be impacted by the results of its analysis.

Further, in FY 2018 and FY 2019, in compliance with Federal procurement mandates, SSA conducted market research regarding a potential, commercial product.<sup>1</sup> SSA engaged in months of direct communication with a potential vendor that represented ownership of a case processing product, during which the vendor provided a date-certain for a demonstration only to cancel days before the scheduled meeting. Additionally, the vendor provided limited information regarding the product in response to SSA's inquiries and did not accept numerous invitations to demonstrate its product at SSA headquarters.

In FY 2019, the independent research center provided its updated market research and analysis of DCPS2 and commercial case processing products. Of the options analyzed, DCPS2 has the highest overall scores for functional, programmatic, and security evaluation criteria. DCPS2 also has the lowest lifecycle cost and the lowest overall level of risk.

### **A. Functionality in Comparison to DCPS2:**

The independent assessment analyzed functional, programmatic, and security aspects of the potential systems. The DCPS2 product roadmap provided the baseline functionality for independent analysis as a complete set of functional capabilities in planned development through September 2019. The independent research center analyzed DCPS2 functionality in its current state and in its future capabilities through its product roadmap, noting that DCPS2 is being executed from a detailed development and implementation roadmap.

Specific to functional aspects, the independent analysis assessed business process, application, and enterprise architecture. DCPS2 scored at the high level for business process and application, and scored at the medium level for enterprise architecture, noting that plans are in place to implement leading practices to address the potential deficiency. Additionally, DCPS2 scored at

---

<sup>1</sup> In accordance with FAR 2.101, market research allows Federal agencies to collect and analyze information about capabilities within the commercial market to satisfy agency needs.

## Limitation on Administrative Expenses

the high level for all categories in the programmatic assessment and for all categories in the security assessment.

**Functionality Summary:** The independent analysis scored DCPS2 higher overall in functional, programmatic, and security attributes than the commercial products analyzed.

### **B. Costs in Comparison to DCPS2:**

By statute and regulation, SSA compensates each State DDS for all necessary costs and all expenses incurred in making disability determinations. This compensation includes the cost of disability case processing systems and all associated expenses, including electronic processes, used by the States. In recent years, these expenditures have risen exponentially due to increased contracting costs for use of commercially owned, legacy case processing systems.

DCPS2 is being developed as a national, common system that provides numerous cost efficiencies, including in infrastructure, system enhancement, licensing, and maintenance. The DCPS2 system also provides time and cost saving efficiencies, including providing compatibility with industry standards for electronic medical records and implementing national software modifications as required by changing laws, regulations, and policy. Moreover, DCPS2's integrated case analysis tools support disability examiners in making consistent decisions based on law, regulation, and disability policy, thus assisting in accurate determinations.

A highly important and additional cost-saving feature of DCPS2 is that the Government owns the software product and underlying code. SSA ownership eliminates the current, exponential price increases imposed by commercial vendors or individually negotiated DDS contracts. The Government's development and ownership of DCPS2 also has enabled and will continue reuse of the code in other agency systems as an additional cost-savings benefit to the agency.

Regarding cost estimates provided in the independent analysis, the research center considered the total costs of ownership for comparison purposes as a potential, initial step regarding program costs. The analysis was based on development of a lifecycle cost model. This included cost methodologies as defined in the Government Accountability Office Cost Estimating and Assessment Guide (GAO-09-03SP), in developing lifecycle cost estimates (LCCE) for the potential, case processing systems.<sup>1</sup> As defined by OMB, an LCCE is an estimate that "provides the total cost to the Government of acquisition and ownership of the system over its full life time." The costs analyses included a variable-based cost model for each potential option, and a cost-risk analysis capability to support risk-adjusted estimates for each potential option. In the independent report, the LCCE developed and analyzed includes lifecycle phases from FY 2019 through FY 2033.

**Cost Summary:** The independent analysis utilized a risk-adjusted LCCE based on a period of performance from FY 2019 to FY 2033. The independent analysis found that DCPS2 is the most cost-effective option of the products analyzed. The total LCCE for DCPS2, even when adjusted

---

<sup>1</sup> Expended costs prior to FY 2019 were not considered in the LCCE analyses in order to provide an equitable comparison.

for risk, was evaluated at approximately 38 percent to 60 percent less costly than the commercial options analyzed.

### **III. Utilizing Processes In Conformity with All Federal Procurement Rules and Information Security Requirements:**

In identifying and analyzing potential products in the commercial marketplace, SSA has adhered to all Federal procurement rules and information security requirements. An overview of SSA's actions in compliance with procurement and security requirements is provided below.

#### **A. Conformity with Federal Procurement Rules:**

In all matters, SSA adheres to Federal mandates governing the actions of Executive agencies. In examining potential options for a disability case processing system, in compliance with Federal procurement dictates, market research allows Federal agencies to collect and analyze information about capabilities within the commercial market to satisfy agency needs. Market research is an initial step in the procurement process. Then, if advisable in fulfilling the agency's business needs, the agency enters into public solicitation, acquisition, and contracting processes following Federal law, regulation, and policy, ensuring fair and open competition among potential vendors.

Throughout FY 2018 and during FY 2019, in order to discern whether further, procurement steps regarding possible commercial products were advisable, SSA engaged in direct communication with a potential, commercial vendor and attempted to involve the vendor in market research regarding its potential case processing product. These direct communication efforts spanned months, with SSA reaching out numerous times seeking product information and a product demonstration. At one point, the vendor scheduled a meeting and demonstration at SSA headquarters, only to cancel days before the scheduled meeting causing loss to the Government of the significant person-hours expended. Despite SSA's numerous efforts, the potential commercial vendor has not provided sufficient, requested information or a product demonstration at SSA headquarters.

Additionally in FY 2018 and FY 2019, SSA contracted with an independent research center to gather information and analyze products in the commercial marketplace in comparison to DCPS2. The independent analysis found of the options analyzed that DCPS2 has the highest overall score for functional, programmatic, and security evaluation criteria. DCPS2 also has the lowest cost and the lowest overall level of risk.

Further, the Competition in Contracting Act (CICA) and the Federal Acquisition Regulation (FAR) require Federal agencies, with certain limited exceptions not applicable in this circumstance, to award contracts through full and open competition. CICA, 41 U.S.C. § 3301, *et seq.*; FAR, 48 C.F.R. § 1.101, *et seq.* Full and open competition for a potential acquisition of national case processing system software would require creation of a solicitation package, public posting of the solicitation, receipt and analysis of private vendor proposals, contract negotiation and development, and acquisition finalization.

The legally mandated procurement processes to secure a commercial product (if existing, or if not existing, for a system software developer) would take approximately one to two years to complete. As scheduled on the DCPS2 roadmap, SSA's product development will be completed

## Limitation on Administrative Expenses

in September 2019. Additionally, if after a potential procurement period a commercial product or developer were acquired, all Federal information security requirements must be successfully completed, as discussed in section III. B., before the product could be introduced into SSA's secure, production enterprise. These legally-mandated security processes would take approximately six months to complete. In comparison, these security processes have completed successfully for DCPS2, and it has achieved an Authorization to Operate (ATO).

Prior to beginning development for the DCPS2 product, SSA conducted a national, open solicitation and awarded a contract for disability case processing software development to a nationally recognized developer. That endeavor was conducted at great expense and without success in securing a viable product. Further, if this acquisition route were employed again, up to a one to two-year period for the above-outlined procurement process would remain and an additional period of at least two years would follow for necessary product development to complete a potentially viable product.

SSA again utilizing national solicitation, selection, and contracting processes to seek proprietary software or system development presents considerable challenges and risks. Any such solicitation would be contingent upon a national contract for product use, agency ownership, or code development. These challenges and risks include the cost and length of time necessary to secure a proprietary software product or developer, the potential that a viable product or developer may not emerge, the lack of cost control in operating and maintaining a commercially owned or developed product, and potentially unsatisfactory product or developer performance (as SSA previously encountered in contracting for commercial product development).

Further, in regard to any potential, commercial off-the-shelf (COTS) products and "*actions taken by SSA to enable COTS field production deployment*," it is clear that no such product currently exists in the commercial marketplace. A commercial software product may be in development, but it is not presently available as an off-the-shelf product and would still require significant development, integration, and customization that would take multiple years to develop once potential procurement processes are completed.

In pertinent part, FAR 2.101 states that "'Commercially available off-the-shelf (COTS) item'— (1) Means any item of supply . . . that is—

- (i) A commercial item (as defined in paragraph (1) of the definition<sup>1</sup> in this section);
- (ii) Sold in substantial quantities in the commercial marketplace; and
- (iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; . . . ."

Following these FAR guidelines, no COTS product currently exists meeting SSA's business needs for disability case processing; therefore, any commercial product would require

---

<sup>1</sup> The definition of a "[c]ommercial item" means— (1) Any item . . . that is of a type customarily used by the general public or by non-governmental entities for purposes other than governmental purposes, and—(i) Has been sold, leased, or licensed to the general public; or (ii) Has been offered for sale, lease, or license to the general public; . . . ."

## Limitation on Administrative Expenses

development or significant modifications and integration. Additionally, even if such products currently were available in the commercial marketplace, the public solicitation and acquisition processes, followed by information security processes would be necessary. Only after successful completion of these processes could any software product be introduced into the field production environment.

**Federal Procurement Summary:** In compliance with Federal acquisition mandates, in FY 2018 and FY 2019, SSA engaged in market research to discern whether further, procurement steps regarding possible commercial products were advisable. These endeavors included months of direct communication with a potential, commercial vendor and engagement of an independent research organization to provide an updated Independent Market Research Analysis Report. The independent analysis assessed DCPS2 with the highest overall scores for functional, programmatic, and security in comparison to the commercial products analyzed. DCPS2 also was assessed as the lowest cost and the lowest overall level of risk compared to the commercial products analyzed. DCPS2 is scheduled for completion in September 2019, and the commercial products analyzed would require multiple years for development after potential acquisition in full and open competition. At this juncture, further procurement steps do not appear advisable.

### **B. Conformity with Information Security Requirements:**

System security is paramount in protecting information regarding the American public gathered and stored in SSA's systems across the enterprise. SSA, therefore, adheres to all Federal security mandates, including the Federal Information Security Modernization Act (FISMA), 44 U.S.C. § 3551, *et seq.*; Executive Orders and White House directives regarding cybersecurity or information technology; other Federal agencies' authorized mandates; and National Institute of Standards and Technology (NIST) standards and guidelines.

After acquisition (following full and open competition processes) of a new or significantly upgraded software product, a security assessment must be conducted by the Office of Information Security and the Office of Privacy and Disclosure. This assessment is used to determine the advisability of entering into processes for a potential Authorization to Operate (ATO). These processes provide mandatory information and analysis for an authorization package. An authorization package, at a minimum, must include an information system security plan, a privacy plan, a security control assessment, a privacy control assessment, and any relevant plans of action and milestones.

The agency's grant of an ATO authorizes operation of an information system through which the agency explicitly accepts the risk to agency operations (including mission, functions, or reputation), agency assets, individuals, or other organizations, based on the implementation of an agreed-upon set of system security and privacy controls. The ATO processes, by necessity, are lengthy, multi-stepped endeavors to ensure information system security. These processes generally take a number of months and are conducted internally at SSA and externally through independent evaluations provided by approved contractors.

**Information Security Summary:** The independent analysis utilized criteria governing system access, data protection, and role-based access control. The independent analysis scored DCPS2

## Limitation on Administrative Expenses

at the high level for system security. DCPS2 previously underwent ATO processes and attained full ATO status in March 2017. In the independent analysis, DCPS2 was the only product to score at the high level for each security category.

### IV. Conclusion:

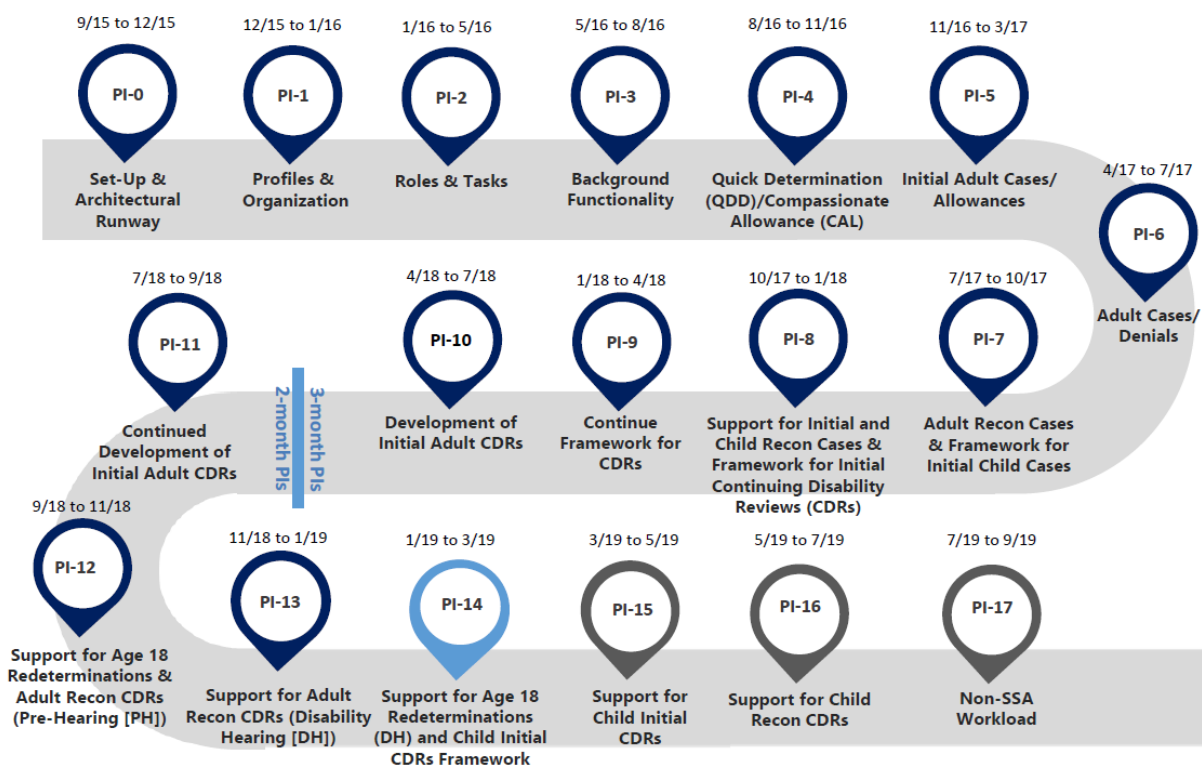
In FY 2018 and FY 2019, SSA engaged a not-for-profit, federally funded, research and development center to provide an updated analysis of disability case processing products in the commercial marketplace in comparison to DCPS2. The independent analysis found that DCPS2 merited high levels for each category for programmatic assessment and for each category of security assessment. DCPS2 also merited high levels for each category of application functionality/requirements, except for enterprise architecture that scored at the medium level with plans in place to implement leading practices to address the potential deficiency.

The independent analysis assessed DCPS2 with the highest overall scores for functional, programmatic, and security evaluation criteria in comparison to the commercial products analyzed. DCPS2 also was found to be the product with the lowest lifecycle cost and the lowest overall level of risk compared to the commercial products analyzed.

DCPS2, as scheduled on the roadmap, will complete product development in September 2019. DCPS2 also currently is deployed in 17 DDSs and will deploy to 31 additional DDSs throughout 2019, continuing early in calendar year 2020.

## DCPS Product Road Map

January 2019



## CONSULTATIVE EXAMINATIONS

The below table satisfies the request for information on consultative exams pursuant to Conference Report 115-952 accompanying the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019. The report directed SSA to include information on consultative examinations (CE).

In some cases, a claimant does not provide adequate evidence about his/her impairment(s) to SSA in order to determine whether he/she is disabled or blind. If we are unable to obtain adequate evidence from the claimant's medical source(s), we may request to purchase a physical or mental examination or test from a medical source to provide evidence for the claim. While we manage our CE workload to an overall processing time goal for initial claims and reconsiderations, unfortunately our systems do not include the level of detail to identify the number of days for individual CE completion and therefore we cannot provide average or accumulative the number of days nationally or by State.

**Table 3.6 —FY 2018 Consultative Examination Counts and Cost Data<sup>1</sup>**

	Annual Number of Cases with at Least One CE <sup>2</sup>	CE Rate <sup>3</sup>	CE Costs <sup>4</sup>	CE Cost per Case <sup>5</sup>
National Total (Disability Determination Services (DDS) + Federal)	1,444,928	33.50%	\$353,650,658	\$244.8
All DDS	1,444,404	34.10%	\$353,390,977	\$244.7
Boston Region	48,268	26.10%	\$10,117,513	\$209.6
Connecticut	10,485	24.50%	\$2,438,511	\$232.6
Maine	6,647	34.20%	\$1,555,878	\$234.1
Massachusetts	17,573	20.90%	\$3,227,950	\$183.7
New Hampshire	5,461	44.20%	\$938,016	\$171.8
Rhode Island	4,726	28.40%	\$1,089,049	\$230.4
Vermont	3,376	34.20%	\$868,109	\$257.1
New York Region	165,916	51.70%	\$37,858,654	\$228.2
New Jersey	34,011	36.90%	\$8,824,726	\$259.5
New York	126,281	57.50%	\$27,224,444	\$215.6
Puerto Rico	5,624	61.50%	\$1,809,484	\$321.7
Philadelphia Region	128,927	28.40%	\$31,559,956	\$244.8

<sup>1</sup> Extended Service Team (EST) CE data and costs are built into the State amounts (VA, MS, AR, OK).

<sup>2</sup> Our systems track the number of cases with at least one paid CE, not the total number of CEs ordered and completed for any given case.

<sup>3</sup> CE rate is the number of cases for which at least one CE is ordered and paid compared to the total number of cases. This rate does not reflect the total volume of CEs ordered and paid. Our systems do not include the level of detail to identify if CEs were conducted by the treating medical provider.

<sup>4</sup> CE costs represent costs for all CEs, including if there were more than one CE per case.

<sup>5</sup> CE cost per case represents total CE Costs divided by the number of cases with at least one CE.

**Limitation on Administrative Expenses**

	<b>Annual Number of Cases with at Least One CE<sup>2</sup></b>	<b>CE Rate<sup>3</sup></b>	<b>CE Costs <sup>4</sup></b>	<b>CE Cost per Case<sup>5</sup></b>
Delaware	3,085	27.20%	\$981,331	\$318.1
District of Columbia	4,353	16.80%	\$1,396,848	\$320.9
Maryland	25,212	37.10%	\$7,804,687	\$309.6
Pennsylvania	62,121	34.20%	\$12,710,765	\$204.6
Virginia	18,996	17.50%	\$4,983,638	\$262.4
West Virginia	15,160	37.10%	\$3,682,687	\$242.9
<b>Atlanta Region</b>	<b>379,652</b>	<b>35.80%</b>	<b>\$90,031,920</b>	<b>\$237.1</b>
Alabama	35,928	36.10%	\$8,472,615	\$235.8
Florida	111,991	31.90%	\$28,642,428	\$255.8
Georgia	58,595	42.00%	\$14,631,139	\$249.7
Kentucky	30,955	36.10%	\$5,855,060	\$189.1
Mississippi	25,897	34.40%	\$4,403,482	\$170.0
North Carolina	49,733	37.50%	\$12,834,791	\$258.1
South Carolina	30,001	40.60%	\$7,285,639	\$242.8
Tennessee	36,552	35.40%	\$7,906,766	\$216.3
<b>Chicago Region</b>	<b>245,802</b>	<b>38.30%</b>	<b>\$55,770,187</b>	<b>\$226.9</b>
Illinois	52,610	37.00%	\$12,153,790	\$231.0
Indiana	34,320	37.30%	\$7,747,816	\$225.8
Michigan <sup>1</sup>	63,366	47.80%	\$10,248,873	\$161.7
Minnesota	13,488	29.20%	\$3,894,967	\$288.8
Ohio	58,549	35.40%	\$14,649,459	\$250.2
Wisconsin	23,469	37.40%	\$7,075,282	\$301.5
<b>Dallas Region</b>	<b>184,055</b>	<b>29.00%</b>	<b>\$45,221,075</b>	<b>\$245.7</b>
Arkansas	21,548	25.90%	\$5,191,343	\$240.9
Louisiana	30,726	37.90%	\$5,725,077	\$186.3
New Mexico	11,693	44.50%	\$3,109,571	\$265.9
Oklahoma	24,308	30.70%	\$5,827,446	\$239.7
Texas	95,780	29.50%	\$25,367,638	\$264.9
<b>Kansas City Region</b>	<b>51,428</b>	<b>31.20%</b>	<b>\$13,881,512</b>	<b>\$269.9</b>
Iowa	10,673	26.30%	\$3,110,082	\$291.4
Kansas	7,153	39.00%	\$1,919,900	\$268.4
Missouri	27,142	30.50%	\$7,028,514	\$259.0
Nebraska	6,460	38.00%	\$1,823,016	\$282.2
<b>Denver Region</b>	<b>34,467</b>	<b>37.80%</b>	<b>\$13,538,271</b>	<b>\$392.8</b>
Colorado	15,852	39.90%	\$6,530,727	\$412.0
Montana	3,823	37.80%	\$1,178,882	\$308.4
North Dakota	1,547	28.80%	\$652,669	\$421.9

<sup>1</sup> We do not have actual 3<sup>rd</sup> and 4<sup>th</sup> quarter data available for Michigan.



**Limitation on Administrative Expenses**

	<b>Annual Number of Cases with at Least One CE<sup>2</sup></b>	<b>CE Rate<sup>3</sup></b>	<b>CE Costs <sup>4</sup></b>	<b>CE Cost per Case<sup>5</sup></b>
South Dakota	2,000	22.70%	\$1,070,833	\$535.4
Utah	9,436	40.50%	\$3,206,721	\$339.8
Wyoming	1,809	46.90%	\$898,439	\$496.6
<b>San Francisco Region</b>	<b>168,137</b>	<b>32.30%</b>	<b>\$41,054,246</b>	<b>\$244.2</b>
Arizona	27,695	34.40%	\$7,117,314	\$257.0
California	128,169	32.50%	\$30,717,405	\$239.7
Hawaii	1,723	11.60%	\$587,923	\$341.2
Nevada	10,550	34.40%	\$2,631,604	\$249.4
<b>Seattle Region</b>	<b>37,752</b>	<b>22.80%</b>	<b>\$14,357,643</b>	<b>\$380.3</b>
Alaska	1,236	23.80%	\$863,842	\$698.9
Idaho	5,238	20.90%	\$1,678,696	\$320.5
Oregon	11,031	22.10%	\$3,916,785	\$355.1
Washington	20,247	23.70%	\$7,898,320	\$390.1
<b>Federal</b>	<b>524</b>	<b>0.70%</b>	<b>\$259,681</b>	<b>\$495.6</b>

Limitation on Administrative Expenses

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 non-attorney representative user fees.

Table 3.7—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
<b>2010</b>	\$11,451,000,000 <sup>1</sup>	\$11,446,500,000 <sup>2</sup>	\$11,446,500,000 <sup>3</sup>	\$11,446,500,000 <sup>4</sup>
Rescission <sup>5</sup>				-\$47,000,000
<b>2011</b>	\$12,378,863,280 <sup>6</sup>	--- <sup>7</sup>	\$12,377,000,000 <sup>8</sup>	\$11,446,500,000 <sup>9</sup>
Rescission <sup>10</sup>				-\$22,893,000
Final				<b>\$11,423,607,000</b>
<b>2012</b>	\$12,522,000,000 <sup>11</sup>	--- <sup>12</sup>	\$11,632,448,000 <sup>13</sup>	\$11,474,978,000 <sup>14</sup>
Rescission <sup>15</sup>				\$21,688,000
Final				<b>\$11,453,290,000</b> <sup>16</sup>
<b>2013</b>	\$11,760,000,000 <sup>17</sup>	--- <sup>18</sup>	\$11,736,044,000 <sup>19</sup>	\$11,453,290,000 <sup>20</sup>
Rescission				-\$21,394,476 <sup>21</sup>
Sequestration				-\$386,329,494 <sup>22</sup>
Final				<b>\$11,045,566,321</b> <sup>23</sup>
<b>2014</b>	<u>\$12,296,846,000</u>	--- <sup>24</sup>	\$11,697,040,000 <sup>25</sup>	<b>\$11,697,040,000</b> <sup>26</sup>
LAE	\$11,069,846,000 <sup>27</sup>			
PIAE	\$1,227,000,000 <sup>28</sup>			
<b>2015</b>	\$12,024,000,000 <sup>29</sup>	--- <sup>30</sup>	--- <sup>31</sup>	<b>\$11,805,945,000</b> <sup>32</sup>
<b>2016</b>	\$12,513,000,000 <sup>33</sup>	\$11,817,945,000 <sup>34</sup>	\$11,620,945,000 <sup>35</sup>	<b>\$12,161,945,000</b> <sup>36</sup>
<b>2017</b>	\$13,067,000,000 <sup>37</sup>	\$11,898,945,000 <sup>38</sup>	\$12,481,945,000 <sup>39</sup>	<b>\$12,481,945,000</b> <sup>40</sup>
<b>2018</b>	\$12,457,000,000 <sup>41</sup>	\$12,392,945,000 <sup>42</sup>	\$11,992,945,000 <sup>43</sup>	<b>\$12,872,945,000</b> <sup>44</sup>
<b>2019</b>	\$12,393,000,000 <sup>45</sup>	\$12,557,045,000 <sup>46</sup>	\$12,951,945,000 <sup>47</sup>	<b>\$12,876,945,000</b> <sup>48</sup>
<b>2020</b>	\$12,773,000,000 <sup>49</sup>			

<sup>1</sup> Total includes \$758,000,000 in funding designated for SSI redeterminations and CDRs – \$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).

<sup>2</sup> H.R. 3293.

<sup>3</sup> H.R. 3293, reported from Committee with an amendment.

<sup>4</sup> Consolidated Appropriations Act, 2010 (P.L. 111-117). Total includes \$758,000,000 in funding designated for SSI redeterminations and CDRs – \$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 the Congressional Budget Office’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).

- 
- <sup>5</sup> \$47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.
- <sup>6</sup> Total includes \$796,000,000 in funding designated for SSI redeterminations and CDRs – \$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.
- <sup>7</sup> The House Committee on Appropriations did not report a bill.
- <sup>8</sup> S. 3686.
- <sup>9</sup> Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- <sup>10</sup> 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).
- <sup>11</sup> Total includes \$938,000,000 in funding designated for SSI redeterminations and CDRs – \$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.
- <sup>12</sup> The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$12,041,494,000.
- <sup>13</sup> S. 1599.
- <sup>14</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74). Total includes \$483,484,000 designated for SSI redeterminations and CDRs appropriated in the Disaster Relief Appropriations Act (P.L. 112-77).
- <sup>15</sup> A total of \$21,688,000 was rescinded by the Consolidated Appropriations Act, 2012 (P.L. 112-74).
- <sup>16</sup> The FY 2012 enacted LAE Budget Authority was \$11,453,290,000. However, effective April 1, 2012, Massachusetts assumed control of its State Supplementary payments, reducing the estimated SSI user fees by approximately \$7,100,000. The resulting available SSI user fee funding for FY 2012 was approximately \$154,000,000. The available LAE funding for FY 2012 is approximately \$11,446,190,000.
- <sup>17</sup> Total includes \$1,024,000,000 in funding designated for SSI redeterminations and CDRs – \$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).
- <sup>18</sup> The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$10,684,414,000 for LAE.
- <sup>19</sup> S. 3295.
- <sup>20</sup> At the time the Budget was formulated we had not received a full year appropriation for FY 2013. We were operating under a 6-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).
- <sup>21</sup> As per OMB Budget Data Request 13-19, SSA was subject to an Across-the-Board (ATB) Reduction/Rescission of .2 percent of LAE. Both base and cap program integrity funds were exempt from this reduction.
- <sup>22</sup> Under P.L. 112-175, all non-SSI funding was reduced by 5 percent after sequestration was triggered by Congress.
- <sup>23</sup> 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).
- <sup>24</sup> 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.
- <sup>25</sup> S. 3533.

## Limitation on Administrative Expenses

---

- <sup>26</sup> Consolidated Appropriations Act, 2014 (P.L. 113-76). Total includes \$1,197,000,000 designated for SSI redeterminations and CDRs. 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).
- <sup>27</sup> Total includes \$273,000,000 in funding designated for SSI redeterminations and CDRs. 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).
- <sup>28</sup> 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.
- <sup>29</sup> Total includes \$1,396,000,000 in dedicated funding designated for SSI redeterminations and CDRs – \$273,000,000 in base funding and \$1,123,000,000 in funds outside the discretionary caps as authorized by the Budget Control Act (BCA) of 2011 (P.L. 112-25), 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).
- <sup>30</sup> The House Committee on Appropriations did not report a bill.
- <sup>31</sup> The Senate Committee on Appropriations did not report a bill.
- <sup>32</sup> Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). Total includes \$1,396,000,000 designated for SSI redeterminations and CDRs. 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).
- <sup>33</sup> Total includes \$1,439,000,000 in dedicated funding designated for SSI redeterminations and CDRs – \$273,000,000 in base funding and \$1,166,000,000 in funds outside the discretionary caps as authorized by the BCA of 2011. 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).
- <sup>34</sup> H.R. 3020.
- <sup>35</sup> S.1695.
- <sup>36</sup> Consolidated Appropriations Act, 2016 (P.L. 114-113). Total includes \$1,426,000,000 in funding designated for SSI redeterminations and CDRs. 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).
- <sup>37</sup> The FY 2017 request includes \$1,819,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, cooperative disability investigation (CDI) units, and the prosecution of fraud by Special Assistant United States Attorneys (SAUSAs) - \$273,000,000 in base funding and \$1,546,000,000 in funds outside the discretionary caps as authorized by the Bipartisan Budget Act (BBA) of 2015 (P.L. 114-74). Additionally, the LAE account carves out funding to support the fully loaded costs of performing 1.1 million CDRs and approximately 2.8 million SSI redeterminations, \$126,000,000 for SSI State Supplement user fees, and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>38</sup> H.R. 5926.
- <sup>39</sup> S. 3040.
- <sup>40</sup> Consolidated Appropriations Act, 2017 (P.L. 115-31). Total includes \$90,000,000 in available funding through September 30, 2018, for activities to address the hearings backlog within the Office of Hearings Operations (formerly the Office of Disability Adjudication and Review). Includes \$1,819,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,546,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2018. Includes \$123,000,000 for SSI State Supplement user fees and up to \$1,000,000 from fees collected

- pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>41</sup> The FY 2018 request includes \$1,735,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,462,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74). Includes up to \$118,000,000 for SSI State Supplement user fees, and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>42</sup> H.R.3358
- <sup>43</sup> S. 1771
- <sup>44</sup> Consolidated Appropriations Act, 2018 (P.L. 115-141). Total includes \$280,000,000 to remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization. Total includes \$100,000,000 in available funding through September 30, 2019, for activities to address the hearings backlog within the Office of Hearings Operations. Includes \$1,735,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,462,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available for 18 months through March 31, 2019. Includes \$118,000,000 for SSI State Supplement user fees and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>45</sup> The FY 2019 request includes \$1,683,000,000 in dedicated funding for program integrity including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,410,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2020. Beginning in FY 2019, SSA may transfer up to \$10,000,000 of program integrity funds in the LAE account to the OIG for the costs associated with jointly operated cooperative disability investigation units. Includes up to \$134,000,000 for SSI State Supplement user fees, and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>46</sup> H.R. 6470
- <sup>47</sup> S. 3158
- <sup>48</sup> Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245). Total includes \$45,000,000 to remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization. Total includes \$100,000,000 in available funding through September 30, 2020, for activities to address the hearings backlog within the Office of Hearings Operations. Includes \$1,683,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,410,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available for 18 months through March 31, 2020. Public Law 115-245 allows SSA to transfer up to \$10,000,000 of program integrity funds in the LAE account to the OIG for the costs associated with jointly operated CDI units in FY 2019. Includes \$134,000,000 for SSI State Supplement user fees and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>49</sup> FY 2020 Budget proposes that the total requested LAE budget authority of \$12,773,000,000 be offset by fees collected for replacement Social Security cards (estimated at \$270 million). Total includes \$1,582,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,309,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2021. In FY 2020, the Budget proposes to transfer up to \$10,000,000 of program integrity cap adjustment funds in the LAE account to the OIG for the costs associated with jointly operated CDI units. Includes up to \$130,000,000 for SSI State Supplement user fees, and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

SSA-RELATED LEGISLATION ENACTED FEBRUARY 9, 2018 – MARCH 18, 2019

---

**FY 2018**

***Good Accounting Obligation in Government Act (P.L. 115-414, enacted January 3, 2019)***

- The bill requires SSA to include in its annual budget justification a report on:
  - each public recommendation of the Government Accountability Office (GAO) that is classified as open or “closed, unimplemented” for a period of not less than one year from the date of the annual budget justification submission,
  - each public recommendation for corrective action from our agency’s office of the Inspector General (OIG) for which no final action has been taken and was published not less than one year before the date of the annual budget justification submission; and
  - the implementation status of each such recommendation.
- We will include this information in SSA’s annual budget justification starting with FY 2021.
- The bill also requires SSA to provide a report separate from its annual budget justification. SSA will deliver its first report by May 1, 2019.

***Economic Growth, Regulatory Relief, and Consumer Protection Act (P.L. 115-174, enacted May 24, 2018)***

- The bill requires SSA to accept the *electronic* consent of an individual who consents to allow a financial institution to verify his or her name, date of birth, and Social Security number using SSA’s Consent Based Social Security Number Verification Service (CBSV).

***The Strengthening Protections for Social Security Beneficiaries Act of 2018 (P.L. 115-165, enacted April 13, 2018)***

- The law amends Titles II, VIII, and XVI of the Social Security Act to improve and strengthen the representative payment program.

***The Bipartisan Budget Act of 2018 (P.L. 115-123, enacted February 9, 2018)***

- The bill adjusts the income-related premium for Medicare Parts B and D and increases efficiency in prison data reporting.

## GENERAL STATEMENT/BUDGETARY RESOURCES/PERFORMANCE

### LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

---

The LAE account funds the operating expenses of SSA 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, we provide service to millions of Americans in our field offices, via telephone, or through the Internet at [www.socialsecurity.gov](http://www.socialsecurity.gov). The LAE account provides the funds we need to perform our core responsibilities, including deciding applications for benefits, conducting hearings and appeals to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds.

Please see the Budget Overview for more information.

### KEY ASSUMPTIONS

---

We formulated SSA's budget to address our growing public service demands as well as an array of priorities for our programs. We will continue to improve our service, stewardship, and modernization efforts.

The budget addresses the following key areas:

- Continuing to decrease our disability appeals (hearings) and Processing Center backlogs;
- Streamlining our disability determination policies and processes;
- Continuing to execute our Information Technology Modernization plan;
- Providing the resources necessary to address cybersecurity needs and threats;
- Administering our complex disability process, see [Social Security Disability](#);
- Combatting waste, fraud and abuse across our programs;
- Reducing improper payments and completing cost-effective program integrity work, see [Social Security Improper Payments](#);
- Improving organizational effectiveness, reducing costs, identifying efficiencies and streamlining business processes;
- Enhancing and expanding our online service capabilities; and
- Improving workforce performance and increasing accountability.

Please see the Key Performance Table for projected work completed for our major workloads, as well as selected production workload measures.

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 over \$1 trillion in FY 2018; under current law, Federal benefit payment outlays are expected to increase to nearly \$1.1 trillion in FY 2019 and nearly \$1.2 trillion in FY 2020. At about 1.1 percent of total benefit payment outlays currently estimated for FY 2020, SSA’s administrative expenses<sup>1</sup> continue to be a small fraction of overall program spending, demonstrating our cost-conscious approach to managing resources.

**Table 3.8—Federal Benefit Outlays<sup>2,3</sup>**  
(Dollars in billions)

	<b>FY 2018 Actuals</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
Old-Age and Survivors Insurance	\$833.0	\$889.0	\$947.6
Disability Insurance	\$143.5	\$146.4	\$148.6
Supplemental Security Income	\$50.9	\$55.9	\$57.1
<b>Total Outlays</b>	<b>\$1,027.5</b>	<b>\$1,091.3</b>	<b>\$1,153.3</b>

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries and recipients of the three major programs SSA administers is expected to increase from 67.6 million in FY 2018 to 68.9 million in FY 2019 and 70.3 million in FY 2020.

**Table 3.9—Beneficiaries<sup>4,5,6</sup>**  
(Average in payment status, in millions)

	<b>FY 2018 Actual</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
Old-Age and Survivors Insurance	51.8	53.3	54.8
Disability Insurance	10.4	10.2	10.1
Supplemental Security Income	8.0	8.0	7.9
Concurrent Recipients <sup>7</sup>	-2.6	-2.6	-2.6
<b>Total Beneficiaries</b>	<b>67.6</b>	<b>68.9</b>	<b>70.3</b>

<sup>1</sup> SSA’s calculation of discretionary administrative expenses excludes Treasury administrative expenses, which are mandatory outlays.

<sup>2</sup> Totals may not add due to rounding.

<sup>3</sup> Totals do not include payments to recipients of Special Benefits for World War II Veterans.

<sup>4</sup> Totals do not include recipients of Special Benefits for World War II Veterans.

<sup>5</sup> Does not include recipients receiving a Federally Administered State supplementary payment only.

<sup>6</sup> Totals may not add due to rounding.

<sup>7</sup> Recipients receiving OASDI, along with SSI benefits and/or State Supplementary payments.



## FUNDING REQUEST

Our FY 2020 LAE budget request of \$12.773 billion allows us to focus on our mission-critical work and our agency priorities, address key backlogs, ensure stewardship of our programs, and help us become a stronger, more efficient and effective organization.

Table 3.10—Budgetary Request

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Budget
<b>Budget Authority, One Year</b> (in millions)			
Limitation on Administrative Expenses (LAE) <sup>1</sup>	\$12,493	\$12,732	\$12,773
<i>Bipartisan Budget Act Program Integrity Level, Base and Cap, included in LAE</i> <sup>2</sup>	<i>(\$1,735)</i>	<i>(\$1,683)</i>	<i>(\$1,582)</i>
Office of the Inspector General (OIG) <sup>3</sup>	\$106	\$106	\$106
<b>Subtotal, One-Year Budget Authority</b>	<b>\$12,599</b>	<b>\$12,838</b>	<b>\$12,879</b>
<b>Budget Authority, Multi/No-Year</b> (in millions)			
Research and Demonstrations <sup>4</sup>	\$101	\$101	\$101
Dedicated Funding to Reduce the Hearings Backlog <sup>5</sup>	\$100	\$100	\$0
Dedicated Funding for IT Modernization <sup>6</sup>	\$280	\$45	\$0
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) <sup>7</sup>	\$27	\$0	\$0
<b>Subtotal, Multi/No-Year Budget Authority</b>	<b>\$508</b>	<b>\$246</b>	<b>\$101</b>
<b>Total, Budget Authority</b>	<b>\$13,107</b>	<b>\$13,084</b>	<b>\$12,980</b>
<b>Workyears, SSA</b>			
Full-Time Equivalents	60,379	61,822	60,997
Overtime	3,003	2,407	1,498
Lump Sum Leave	197	250	250

<sup>1</sup> FY 2020 Budget proposes that the total requested LAE budget authority of \$12.773 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million in FY 2020).

<sup>2</sup> FY 2018 program integrity funding is available for 18 months through March 31, 2019. FY 2019 program integrity funding is available for 18 months through March 31, 2020. The Budget assumes appropriations language for FY 2020 will provide for similar 18-month authority through March 31, 2021.

<sup>3</sup> Public Law 115-245 allows SSA to transfer up to \$10 million of program integrity funds in the LAE account to the OIG for the costs associated with jointly operated cooperative disability investigations units in FY 2019, and the Budget continues this transfer in FY 2020. This line does not include the transfer of \$10 million in FY 2019, nor does it include a transfer of funds in FY 2020 as the budget authority is captured as part of LAE.

<sup>4</sup> Congress appropriated \$101 million in FY 2018 (available through September 30, 2020) and \$101 million in FY 2019 (available through September 30, 2021) for research and demonstrations projects.

<sup>5</sup> Congress appropriated \$100 million in FY 2018 (available through September 30, 2019) and \$100 million in FY 2019 (available through September 30, 2020) to address the disability hearings backlog.

<sup>6</sup> Congress appropriated \$280 million in FY 2018 (available until expended) and \$45 million in FY 2019 (available until expended) for IT modernization.

<sup>7</sup> Congress appropriated SSA with \$98 million to implement certain provisions of MACRA, of which \$27 million was provided for FY 2018 (available until expended). There is no new funding after FY 2018.

## Limitation on Administrative Expenses

	<b>FY 2018 Actual</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Budget</b>
<b>Total SSA Workyears<sup>1</sup></b>	<b>63,579</b>	<b>64,479</b>	<b>62,745</b>
Disability Determination Services (DDS)	13,665	13,551	13,148
<b>Total SSA/DDS Workyears</b>	<b>77,244</b>	<b>78,030</b>	<b>75,893</b>
MACRA	14	8	2
<b>Total SSA/DDS/MACRA Workyears</b>	<b>77,258</b>	<b>78,038</b>	<b>75,895</b>
OIG	502	548	587
<b>Total SSA/DDS/MACRA/OIG Workyears</b>	<b>77,760</b>	<b>78,586</b>	<b>76,482</b>

---

<sup>1</sup> Full-time equivalents and overtime workyears include those funded from dedicated funding to reduce the hearings backlog and dedicated funding for IT modernization. Includes 219 reimbursable workyears in FY 2018 and 300 reimbursable workyears in both FY 2019 and FY 2020.

Limitation on Administrative Expenses

ALL PURPOSE TABLE

Table 3.11—All Purpose Table (APT)

(in thousands)

	FY 2018	FY 2019	FY 2020	
	Consolidated Appropriations Act 1,2,3,4 P.L. 115-141	Consolidated Appropriations Act 1,2,5,6 P.L. 115-245	President's Budget 7	FY 2020 +/- FY 2019
<b>Payments to Social Security Trust Funds</b>				
Pension Reform	6,400	6,400	6,000	-
Unnegotiated Checks	5,000	5,000	5,000	-
<b>Total PTF</b>	<b>\$ 11,400</b>	<b>\$ 11,400</b>	<b>\$ 11,000</b>	<b>\$ -</b>
<b>Supplemental Security Income</b>				
Federal Benefits Payment	48,816,963	56,355,123	56,982,000	626,877
Beneficiary Services	159,000	126,000	45,000	(81,000)
Research & Demonstration	101,000	101,000	101,000	-
Administration 8	4,410,314	4,284,080	4,404,000	119,920
<b>Subtotal SSI Program Level</b>	<b>53,487,277</b>	<b>60,866,203</b>	<b>61,532,000</b>	<b>665,797</b>
Advance from PY	(15,000,000)	(19,500,000)	(19,700,000)	(200,000)
<b>Subtotal Current Year SSI</b>	<b>\$ 38,487,277</b>	<b>\$ 41,366,203</b>	<b>\$ 41,832,000</b>	<b>\$ 465,797</b>
<b>New Advance SSI</b>	<b>\$ 19,500,000</b>	<b>\$ 19,700,000</b>	<b>\$ 19,900,000</b>	<b>\$ 200,000</b>
<b>Limitation on Administrative Expenses</b>				
<b>Regular LAE</b>				
OASDI Trust Funds	5,604,116	5,666,761	5,237,400	(429,361)
SSN Card Fee Collections	-	-	270,000	270,000
HI/SMI Trust Funds	2,391,365	2,459,497	2,451,200	(8,297)
Social Security Advisory Board	2,300	2,400	2,400	-
SSI	3,021,164	2,930,287	3,099,000	168,713
<b>Subtotal Regular LAE</b>	<b>\$ 11,018,945</b>	<b>\$ 11,058,945</b>	<b>\$ 11,060,000</b>	<b>\$ 1,055</b>
<b>Program Integrity Funding</b>				
OASDI Trust Funds	345,850	329,207	277,000	(52,207)
SSI	1,389,150	1,353,793	1,305,000	(48,793)
<b>Subtotal Program Integrity Funding 9</b>	<b>\$ 1,735,000</b>	<b>\$ 1,683,000</b>	<b>\$ 1,582,000</b>	<b>\$ (101,000)</b>
<i>Base Program Integrity</i>	<i>273,000</i>	<i>273,000</i>	<i>273,000</i>	<i>-</i>
<i>Cap Adjustment</i>	<i>1,462,000</i>	<i>1,410,000</i>	<i>1,309,000</i>	<i>(101,000)</i>
<b>User Fees</b>				
SSI User Fee	118,000	134,000	130,000	(4,000)
SSPA User Fee	1,000	1,000	1,000	-
<b>Subtotal User Fees</b>	<b>\$ 119,000</b>	<b>\$ 135,000</b>	<b>\$ 131,000</b>	<b>\$ (4,000)</b>
<b>Total LAE</b>	<b>\$ 12,872,945</b>	<b>\$ 12,876,945</b>	<b>\$ 12,773,000</b>	<b>\$ (103,945)</b>
Non-PI LAE	11,137,945	11,193,945	11,191,000	(2,945)
<b>Office of the Inspector General</b>				
Federal Funds	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Trust Funds	\$ 75,500	\$ 75,500	\$ 75,500	\$ -
<b>Total, OIG 10</b>	<b>\$ 105,500</b>	<b>\$ 105,500</b>	<b>\$ 105,500</b>	<b>\$ -</b>
<b>Total, Social Security Administration, New BA</b>	<b>\$ 66,566,808</b>	<b>\$ 69,775,568</b>	<b>\$ 70,217,500</b>	<b>\$ 441,932</b>
Federal Funds	\$ 58,147,677	\$ 61,242,203	\$ 61,904,000	\$ 661,797
Current Year	\$ 38,647,677	\$ 41,542,203	\$ 42,004,000	\$ 461,797
New Advance	\$ 19,500,000	\$ 19,700,000	\$ 19,900,000	\$ 200,000
Trust Funds	\$ 8,419,131	\$ 8,533,365	\$ 8,313,500	\$ (219,865)

## Limitation on Administrative Expenses

- 
- <sup>1</sup> Congress appropriated \$280 million in FY 2018 (available until expended) and \$45 million in FY 2019 (available until expended) for IT modernization. It is included in regular LAE.
- <sup>2</sup> Congress appropriated \$100 million in FY 2018 (available through September 30, 2019) and \$100 million in FY 2019 (available through September 30, 2020) to address the disability hearings backlog. It is included in regular LAE.
- <sup>3</sup> The regular LAE and program integrity program splits included in this APT are different than the program splits included in the FY 2018 Consolidated Appropriations Act (P.L. 115-141) report language APT. The regular LAE program splits included in the Consolidated Appropriations Act report APT are 42.34%, 17.97%, and 39.69% for OASDI, HI/SMI/Part D, and SSI, respectively, whereas, the program splits included in this APT are 46.25%, 18.58%, and 35.18%.
- <sup>4</sup> The Federal Benefits Payment total in this APT is ~\$581 million more than the Federal Benefits Payment total included in the FY 2018 Consolidated Appropriations Act (P.L. 115-141) report language APT due to a retroactive shift in SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal Benefits). The total amount appropriated for SSI was not changed.
- <sup>5</sup> The regular LAE and program integrity program splits included in this APT are different than the program splits included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report language APT. The regular LAE program splits included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report APT are 42.7%, 18.03%, and 39.27% for OASDI, HI/SMI/Part D, and SSI, respectively, whereas, the program splits included in this APT are 46.59%, 19.10%, and 34.31%. The program integrity splits included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report APT are \$375M and \$1,308M for OASDI and SSI, respectively.
- <sup>6</sup> The Federal Benefits Payment total in this APT is ~\$639 million more than the Federal Benefits Payment total included in the FY 2019 Consolidated Appropriations Act (P.L. 115-245) report language APT due to a retroactive shift in SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal Benefits). The total amount appropriated for SSI did not change.
- <sup>7</sup> FY 2020 Budget proposes that the total requested LAE budget authority of \$12.773 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).
- <sup>8</sup> Total SSI Administration reflects the sum of SSI regular LAE and SSI Program Integrity included in the LAE section.
- <sup>9</sup> FY 2018 program integrity funding is available for 18 months through March 31, 2019. FY 2019 program integrity funding is available for 18 months through March 31, 2020. The Budget assumes appropriations language for FY 2020 will provide for similar 18-month authority through March 31, 2021, to obligate program integrity funds.
- <sup>10</sup> Public Law 115-245 allows SSA to transfer up to \$10 million of program integrity funds in the LAE account to the OIG for the costs associated with jointly operated cooperative disability investigations units in FY 2019, and the Budget continues this transfer in FY 2020. This line does not include the transfer of \$10 million in FY 2019, nor does it include a transfer of funds in FY 2020 as the budget authority is captured as part of LAE.

## SSI STATE SUPPLEMENTATION

The SSI program was designed to provide a nationwide uniform floor of cash assistance to the aged, blind, and disabled. In recognizing that there were variations in living costs across the nation, Congress added section 1618 to the Social Security Act to encourage States to supplement the Federal payment. This ensured that SSI recipients received the full benefit of each cost-of-living adjustment. States may administer their own state supplement programs or have SSA administer the programs on their behalf. States electing to have SSA administer their programs reimburse SSA monthly in advance for these benefit payments, and we make eligibility determinations and payments on behalf of the States.

**Table 3.12—State Supplement Payments**  
(Dollars in millions)

	<b>FY 2018 Actual</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
<b>Federally Administered State Supplement Payments</b>	\$ 2,401	\$ 2,715	<b>\$ 2,760</b>
<b>Offsetting Collections</b>	\$ 2,612	\$ 2,719	<b>\$ 2,764</b>

Participating States pay SSA user fees to administer their programs, based on a schedule established by the Social Security Act. The user fee was \$11.87 per SSI check payment in FY 2018 and is \$12.21 in FY 2019. We estimate that the user fee will increase to \$12.47 per payment in FY 2020. The Department of Treasury receives the first \$5.00 of each fee and we retain the amount over \$5.00. This user fee is discretionary budget authority that supplements our LAE account.

**Table 3.13—SSI User Fee Collections<sup>1</sup>**  
(Dollars in millions)

	<b>FY 2018 Actual<sup>1</sup></b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>	<b><i>FY 2019 FY 2020 Change</i></b>
<b>Number of Monthly Payments</b>	11	12	<b>12</b>	
<b>SSA User Fee Collections</b>	\$ 114	\$ 130 <sup>2</sup>	<b>\$ 130<sup>3</sup></b>	<b>+\$ 0</b>
<b>Treasury User Fee Collections</b>	\$ 83	\$ 90	<b>\$ 90</b>	<b>+\$ 0</b>
<b>Total User Fee Collections</b>	<b>\$ 197</b>	<b>\$ 220</b>	<b>\$ 220</b>	<b>+\$ 0</b>

<sup>1</sup> The October 2017 payment (FY 2018) was paid in September 2017 (FY 2017). This resulted in 11 payments in FY 2018.

<sup>2</sup> Although we are authorized to collect up to \$134 million in FY 2019 based on our enacted FY 2019 appropriation, we estimate that we will collect only \$130 million in SSI user fees. We will reconcile any shortfall from our LAE account.

<sup>3</sup> The User Fee request for the FY 2020 President's Budget is \$130 million. Any fees collected in excess of the appropriated amount may be used to cover a shortfall in collections for a future year.

**Limitation on Administrative Expenses**

**IMPACT OF STATES DROPPING OUT OF STATE SUPPLEMENTATION PROGRAM**

Currently, we help administer the state supplementation for 20 States and the District of Columbia. However, participation in the state supplementation program is voluntary. States can opt out of the program, but must provide us notice at least 90 days in advance before dropping out.<sup>1</sup> The result of States dropping out of the program is a loss of LAE authority in the current and possibly following fiscal year when it is too late to adjust our request. California and New Jersey are the two largest States for whom SSA administers the state supplementation. If either State opted to administer their own state supplementation, our estimate would dramatically decrease.

**Table 3.14—Estimated SSA User Fee Collections by State**  
(Dollars in thousands)

<b>State</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
Arkansas	*	*	*
California	\$ 96,004	\$ 109,797	\$ 109,500
Delaware	\$ 45	\$ 52	\$ 52
DC	\$ 90	\$ 102	\$ 102
Georgia	*	*	*
Hawaii	\$ 233	\$ 267	\$ 267
Iowa	\$ 114	\$ 130	\$ 130
Kansas	*	*	*
Louisiana	*	*	*
Maryland	*	\$ 1	\$ 1
Michigan	\$ 843	\$ 964	\$ 964
Mississippi	\$ 1	\$ 1	\$ 1
Montana	\$ 67	\$ 77	\$ 77
Nevada	\$ 1,115	\$ 1,275	\$ 1,275
New Jersey	\$ 13,776	\$ 15,755	\$ 15,712
Ohio	*	*	*
Pennsylvania	\$ 462	\$ 528	\$ 528
Rhode Island	\$ 38	\$ 43	\$ 43
South Dakota	*	*	*
Tennessee	\$ 1	\$ 1	\$ 1
Vermont	\$ 1,178	\$ 1,347	\$ 1,347
<b>Total</b>	<b>\$ 113,967</b>	<b>\$ 130,340</b>	<b>\$ 130,000</b>

\*Less than \$500

<sup>1</sup> From the Code of Federal Regulations (C.F.R.) 20 C.F.R. 416.2010(d) 2018: “[...] The State or SSA may terminate the agreement upon 90 days written notice to the other party, provided the effective date of the termination is the last day of a quarter. [...]” State agreements may only be terminated with less than 90 days notice under specific circumstances noted in the CFR.

## 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 determine 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. SSA also received \$98 million funded incrementally from FY 2015 to FY 2018, of which \$27 million is available until expended, for costs associated with the MACRA provisions.

**Table 3.15—Budget Authority and Outlays<sup>1</sup>**  
(Dollars in thousands)

	<b>FY 2018 Actual<sup>2,3,4</sup></b>	<b>FY 2019 Enacted<sup>3,4,5</sup></b>	<b>FY 2020 Estimate<sup>6,7</sup></b>
OASI and DI Trust Funds <sup>8</sup>	\$5,949,966 <sup>9</sup>	\$5,995,968 <sup>10</sup>	\$5,514,400 <sup>11</sup>
SSN Card Fee Collections	N/A	N/A	\$270,000 <sup>12</sup>
HI and SMI Trust Funds	\$2,391,365	\$2,459,497	\$2,451,200
SSA Advisory Board	\$2,300	\$2,400	\$2,400
SSI Administrative Expenses	\$4,410,314	\$4,284,080	\$4,404,000
SSI State Supplement User Fees	\$118,000	\$134,000	\$130,000
Non-Attorney Representative User Fees	\$1,000	\$1,000	\$1,000
MIPPA – LIS	N/A	N/A	N/A
MACRA	\$27,000	\$0	\$0
Recovery Act	N/A	N/A	N/A
<b>Total Budget Authority</b>	<b>\$12,899,945</b>	<b>\$12,876,945</b>	<b>\$12,773,000</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> In FY 2018, our administrative outlays were about 1.2 percent of the benefit payments we made.

<sup>3</sup> Congress appropriated \$280 million in FY 2018 (available until expended) and \$45 million in FY 2019 (available until expended) for IT modernization.

<sup>4</sup> Congress appropriated \$100 million in FY 2018 (available through September 30, 2019) and \$100 million in FY 2019 (available through September 30, 2020) to address the disability hearings backlog.

<sup>5</sup> In FY 2019, our administrative outlays are about 1.2 percent of the benefit payments we plan to pay.

<sup>6</sup> In FY 2020, our administrative outlays are about 1.1 percent of the benefit payments we plan to pay.

<sup>7</sup> FY 2020 Budget proposes that the total requested LAE budget authority of \$12.773 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).

<sup>8</sup> Includes funding for administration of the Special Benefits for Certain World War II Veterans program, which is funded through general revenues.

<sup>9</sup> The total includes \$2,779,085 in DI and \$3,170,881 in OASI costs.

<sup>10</sup> The total includes \$2,732,487 in DI and \$3,263,481 in OASI costs.

<sup>11</sup> The total includes \$2,435,085 in DI and \$3,079,315 in OASI costs.

<sup>12</sup> The total includes \$135,000 in DI and \$135,000 in OASI costs.

**Limitation on Administrative Expenses**

	<b>FY 2018 Actual<sup>2,3,4</sup></b>	<b>FY 2019 Enacted<sup>3,4,5</sup></b>	<b>FY 2020 Estimate<sup>6,7</sup></b>
OASI and DI Trust Funds <sup>1</sup>	\$5,749,500 <sup>2</sup>	\$5,994,000 <sup>3</sup>	\$5,524,000 <sup>4</sup>
SSN Card Fee Collections	N/A	N/A	\$270,000 <sup>5</sup>
HI and SMI Trust Funds	\$2,364,400	\$2,454,900	\$2,452,400
SSI Administrative Expenses	\$4,252,000	\$4,412,000	\$4,536,700
SSI State Supplement User Fees	\$113,600	\$130,000	\$130,000
Non-Attorney Representative User Fees	\$1,000	\$1,000	\$1,000
MIPPA – LIS	\$0	\$5,800	\$5,800
MACRA	\$3,100	\$1,100	\$0
Recovery Act – New NSC	\$11,900	\$2,000	\$1,500
<b>Total Administrative Outlays</b>	<b>\$12,495,500<sup>6</sup></b>	<b>\$13,000,800</b>	<b>\$12,921,400</b>

<sup>1</sup> Includes funding for administration of the Special Benefits for Certain World War II Veterans program, which is funded through general revenues.

<sup>2</sup> The total includes \$2,589,000 in DI and \$3,160,500 in OASI costs.

<sup>3</sup> The total includes \$2,728,400 in DI and \$3,265,600 in OASI costs.

<sup>4</sup> The total includes \$2,436,600 in DI and \$3,087,400 in OASI costs.

<sup>5</sup> The total includes \$135,000 in DI and \$135,000 in OASI costs.

<sup>6</sup> Due to variations in the reporting of outlays, FY 2018 outlays will not match those included in the Budget Appendix.



Limitation on Administrative Expenses

AMOUNTS AVAILABLE FOR OBLIGATION/ANALYSIS OF CHANGES

**Table 3.16—Amounts Available for Obligation<sup>1,2</sup>**  
(Dollars in thousands)

	FY 2018 <sup>3,4</sup> Actual	FY 2019 <sup>5</sup> Enacted	FY 2020 <sup>6</sup> Estimate	FY 19 to FY 20 Change
<b>Limitation on Administrative Expenses (LAE)</b>				
<b>LAE Appropriation<sup>7</sup></b>	<b>\$12,872,945</b>	<b>\$12,876,945</b>	<b>\$12,773,000</b>	<b>- \$103,945</b>
<b>Unobligated Balance, start-of-year</b>	\$597,844	\$568,364	\$433,278	-\$135,086
Unrealized Non-Attorney User Fees	-\$855	\$0	\$0	\$0
Unrealized SSI User Fees	-\$4,357	\$0	\$0	\$0
<b>Subtotal LAE Resources</b>	<b>\$13,465,577</b>	<b>\$13,445,309</b>	<b>\$13,206,278</b>	<b>-\$239,031</b>
Unobligated Balance, lapsing	-\$71,960	\$0	\$0	\$0
Unobligated Balance, end-of-year (LAE Carryover)	-\$582,623	-\$333,278	-\$126,699	\$206,578
<b>Total Obligations, LAE</b>	<b>\$12,810,994</b>	<b>\$13,112,031</b>	<b>\$13,079,578</b>	<b>-\$32,453</b>
<b>American Recovery and Reinvestment Act Resources (ARRA)<sup>8</sup></b>				
<b>National Support Center, Unobligated Balances, start-of-year</b>	<b>\$527</b>	<b>\$2,084</b>	<b>\$0</b>	<b>-\$2,084</b>
National Support Center Estimated Recovery/Offsetting Collections	\$1,894	\$0	\$0	\$0
National Support Center Unobligated Balances, end-of-year	-\$2,084	\$0	\$0	\$0
<b>Obligations, ARRA</b>	<b>\$336</b>	<b>\$2,084</b>	<b>\$0</b>	<b>-\$2,084</b>
<b>Medicare Savings Plan (MSP)</b>				
<b>Unobligated Balances, start-of-year</b>	<b>\$14,896</b>	<b>\$14,896</b>	<b>\$7,448</b>	<b>-\$7,448</b>
Unobligated Balances, end-of-year	-\$14,896	-\$7,448	\$0	\$7,448
<b>Obligations, MSP</b>	<b>\$0</b>	<b>\$7,448</b>	<b>\$7,448</b>	<b>\$0</b>
<b>Medicare Improvements for Patients and Providers Act (MIPPA) - Low Income Subsidy (LIS)</b>				

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Table does not include reimbursables.

<sup>3</sup> FY 2018 included \$195 million of Program Integrity 18-month carry-out at the time of Department of Treasury's GTAS lock. However, the actual realized carry-over amount was \$68 million.

<sup>4</sup> FY 2018 included \$94 million of Dedicated Hearings FY 18-19 multi-year carry-out, and \$236 million of IT Modernization no-year carry-out.

<sup>5</sup> FY 2019 includes \$71 million of Program Integrity 18-month carry-out, \$75 million of Dedicated Hearings FY 19-20 multi-year carry-out, and \$143 million of IT Modernization no-year carry-out, and \$100 million transferred from prior-year accounts.

<sup>6</sup> FY 2020 includes \$7 million of Program Integrity 18-month carry-out and \$75 million of IT Modernization no-year carry-out, and \$100 million transferred from prior-year accounts.

<sup>7</sup> LAE Appropriation amounts displayed include \$10 million for OIG CDI team leaders in both FY 2019 and 2020.

<sup>8</sup> SSA received a Presidential waiver from rescission allowing for the use of ARRA NSC funds until expended.

**Limitation on Administrative Expenses**

	FY 2018 <sup>3,4</sup> Actual	FY 2019 <sup>5</sup> Enacted	FY 2020 <sup>6</sup> Estimate	FY 19 to FY 20 Change
<b>Unobligated Balances, start-of-year</b>	\$11,618	\$11,580	\$5,790	-\$5,790
Unobligated Balances, end-of-year	-\$11,580	-\$5,790	\$0	\$5,790
<b>Obligations, MIPPA - LIS</b>	\$37	\$5,790	\$5,790	\$0
<b>State Children's Health Insurance Program (SCHIP)</b>				
<b>Unobligated Balances, start-of-year</b>	\$2,015	\$1,997	\$998	-\$998
Unobligated Balances, end-of-year	-\$1,997	-\$998	\$0	\$998
<b>Obligations, SCHIP</b>	\$18	\$998	\$998	\$0
<b>Medicare Access and CHIP Reauthorization Act (MACRA)</b>				
<b>Unobligated Balances, start-of-year</b>	\$68,636	\$27,000	\$25,879	-\$1,121
Expenditure Transfers from Trust Funds	\$27,000	\$0	\$0	\$0
Unobligated Balances, lapsing	-\$66,385	\$0	\$0	\$0
Unobligated Balance, end-of-year	-\$27,000	-\$25,879	-\$25,615	\$264
<b>Obligations, MACRA</b>	\$2,251	\$1,121	\$264	-\$857
<b>GRAND TOTAL, OBLIGATIONS</b>	\$12,813,637	\$13,129,473	\$13,094,079	-\$35,394

This exhibit isolates the effects of mandatory inflationary pressures, such as pay raises and rent increases, from policy decisions and agency priorities, such as changes in workyears and workload-related costs due to changes in workload estimates. These increases and decreases net out to our total budget request, however since we isolate increases and decreases separately in this exhibit, the figures displayed may not match totals displayed in other exhibits.

**Table 3.17—Explanation of LAE Budget Changes from FY 2019 to FY 2020<sup>1,2</sup>**  
(Obligations in thousands)

	FY 2019		FY 2020		Change	
	WYs	Obligations	WYs	Obligations	WYs	Obligations

**BUILT-IN INCREASES** – Built-in increases are year-over-year cost increases that are outside agency control, such as across the board Federal pay raises, changes in employee health benefit premiums, and the price of postage. These increases are not a result of changes in overall agency resources or program or policy changes. Most agency operational costs are captured in this category as payroll costs.

A1. Payroll Expenses	\$7,201,520	\$7,457,848	\$256,327
----------------------	-------------	-------------	-----------

<sup>1</sup> FY 2020 Budget proposes that the total requested LAE budget authority of \$12.773 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).

<sup>2</sup> Totals may not add due to rounding.

**Limitation on Administrative Expenses**

	FY 2019		FY 2020		Change	
	WYs	Obligations	WYs	Obligations	WYs	Obligations
(a) Increases due to periodic step increases, health benefits, career ladder promotions, and benefit costs of new employees hired under the Federal Employees Retirement System				\$101,886		\$101,886
(b) Assumption of a 1.9% Federal pay increase retroactive to January 2019				\$30,172		\$30,172
(c) Increase due to additional paid day (262 paid days in FY 2020 vs. 261 in FY 2019)				\$24,270		\$24,270
(d) FERS Employer Contribution increase from 13.7% to 16.0% effective October 2019 per OMB A-11 June 2018				\$100,000		\$100,000
<b>A2. Non-Payroll Costs</b> - Mandatory growth in non-payroll costs, including costs of security, guard services, postage, rent, lease renewals, etc. <sup>1</sup>		\$1,538,616		\$1,570,636		\$32,020
<b>A3. Social Security Statements (Mailed)</b>		\$8,095		\$8,292		\$197
<b>Subtotal, Built-In Increases</b>		\$8,748,231		\$9,036,775		\$ 288,544

**PROGRAM INCREASES** – Program increases are year-over-year cost increases resulting from changes in agency priorities, policy decisions, dedicated funding, or workloads estimates.

<b>B1. Dedicated FY 2019-2020 Funding to Reduce the Hearings Backlog</b>	228	\$25,000	782	\$75,000	554	\$50,000
<b>B2. Information Technology (IT) - Base Funding<sup>2</sup></b>		\$1,193,374		\$1,234,000		\$40,626
<b>Subtotal, Program Increases</b>	228	\$1,218,374	782	\$1,309,000	554	\$90,626
<b>TOTAL, INCREASES</b>	228	\$9,966,605	782	\$10,345,775	554	\$379,170

**BUILT-IN DECREASES** – Built-in decreases are year-over-year cost decreases that are outside agency control, such as lower-graded new hires exerting downward pressure on the average Cost Per Workyear.

<b>C1. State Disability Determination Services<sup>3</sup></b>		\$2,248,700		\$2,243,289		-\$5,411
--	--	-------------	--	-------------	--	----------

<sup>1</sup> Non-payroll figures include approximately \$26.5 million in Altmeyer, \$2 million in NSC/ARRA and \$200 thousand in construction spending in FY 2019.

<sup>2</sup> For further detail, please see the Information Technology exhibit.

<sup>3</sup> Total FY 2020 DDS funding is \$2.185 billion. This amount is broken out into the mandatory piece in Built-In Decreases Section, Item C1, and the discretionary piece in Program Decreases, Item D2.

**Limitation on Administrative Expenses**

	FY 2019		FY 2020		Change	
	WYs	Obligations	WYs	Obligations	WYs	Obligations
<b>Subtotal, Built-In Decreases</b>		<b>\$2,248,700</b>		<b>\$2,243,289</b>		<b>-\$5,411</b>

**PROGRAM DECREASES** – Program decreases are year-over-year cost decreases resulting from changes in agency priorities, policy decisions, dedicated funding, or workloads estimates.

D1. Payroll Decreases - Net Decrease in SSA WYs <sup>1</sup>	63,274		61,963	-\$129,636	-1,311	-\$129,636
D2. Payroll Decreases - Net Decrease in Disability Determination Service WYs	13,551		13,148	-\$58,289	-403	-\$58,289
D3. Non-Payroll Costs		\$557,521		\$500,073		-\$57,448
D4. Dedicated FY 2018-2019 Funding to Reduce the Hearings Backlog	977	\$93,959		\$ -	-977	-\$93,959
D5. IT Modernization out of \$325M No-Year Funds <sup>2</sup>		\$137,331		\$68,366		-\$68,965
(a) IT Costs in Support of IT Modernization out of \$325M No-Year		\$81,101		\$41,548		-\$39,553
(b) Payroll Costs in Support of IT Modernization out of \$325M No-Year		\$56,230		\$ 26,818		-\$29,412
D6. Medicare Access & CHIP Reauthorization Act (MACRA) <sup>3</sup>	8	\$1,121	2	\$264	-6	-\$857
<b>Subtotal, Program Decreases</b>		<b>\$789,931</b>		<b>\$380,778</b>		<b>-\$409,153</b>
<b>TOTAL, DECREASES</b>	<b>77,810</b>	<b>\$3,038,631</b>	<b>75,113</b>	<b>\$2,624,067</b>	<b>-2,697</b>	<b>-\$414,564</b>

**NO NET CHANGE** - Obligations not expected to change in FY 2020 year-over-year compared to FY 2019.

E1. IT Obligations Funded from Prior-Year Unobligated Balances <sup>4</sup>	\$100,000	\$100,000
E2. OIG Transfer - CDI Team Leaders from SSA Program Integrity Funding	\$10,000	\$10,000

<sup>1</sup> Includes WYs funded out of IT no-year amounts on line D5 (b).

<sup>2</sup> The total FY 2019 cost associated with IT Modernization is \$167 million, which includes \$81 million in IT costs and \$56 million in Payroll out of the \$325 million no-year dedicated IT Modernization funds. The total FY 2020 cost associated with IT Modernization is \$155 million, which includes \$42 million in IT costs and \$27M in Payroll out of the \$325 million no-year dedicated IT Modernization funds.

<sup>3</sup> The funding available for SSA to carry out the provisions of the Medicare Access and CHIP Reauthorization Act of 2015 amount for FY 2019 and onward is \$27 million, available until expended.

<sup>4</sup> Estimated ITS carry-over is based on historical actuals of the total amounts available from the previous 5 fiscal years that became available for obligation gradually throughout the budget year.

**Limitation on Administrative Expenses**

	FY 2019		FY 2020		Change	
	WYs	Obligations	WYs	Obligations	WYs	Obligations
E3. Medicare Improvement for Patient and Providers Act (MIPPA) - Low Income Subsidy (LIS)		\$5,790		\$5,790		
E4. Medicare Improvement for Patient and Providers Act (MIPPA) - Medicare Savings Program (MSP)		\$7,448		\$7,448		
E5. State Children's Health Insurance Program (SCHIP)		\$998		\$998		
<b>Subtotal, No Net Change</b>		<b>\$124,236</b>		<b>\$124,236</b>		
<b>TOTAL OBLIGATIONS, NET CHANGE<sup>1</sup></b>	<b>78,038</b>	<b>\$13,129,473</b>	<b>75,895</b>	<b>\$13,094,079</b>	<b>-2,143</b>	<b>-\$35,394</b>

<sup>1</sup> Total does not include reimbursables and is prior to completing the transfer to OIG.

**BUDGETARY RESOURCES BY OBJECT**

**Table 3.18—Budgetary Resources by Object<sup>1,2,3</sup>**  
(Dollars in thousands)

	<b>FY 2019</b>	<b>FY 2020</b>	<b>Change</b>
Personnel Compensation			
Permanent positions	\$5,223,171	\$5,270,240	\$47,069
Positions other than permanent	\$86,084	\$86,418	\$333
Other personnel compensation	\$282,438	\$146,764	-\$135,674
Special personal service payments	\$0	\$4,113	\$4,113
Subtotal, personnel compensation	\$5,591,694	\$5,507,535	-\$84,159
Personnel Benefits <sup>4</sup>	\$1,810,372	\$1,946,996	\$136,623
Travel and transportation of persons	\$13,207	\$12,818	-\$389
Transportation of things	\$4,309	\$4,182	-\$127
Rent, communications, and utilities			
Rental payments to GSA	\$716,232	\$723,594	\$7,362
Rental payments to others	\$361	\$387	\$27
Communications, utilities, misc.	\$520,603	\$537,220	\$16,616
Printing and reproduction	\$21,349	\$20,654	-\$694
Other services (DDS, guards, etc.)	\$3,989,707	\$3,885,104	-\$104,603
Supplies and materials	\$23,001	\$22,323	-\$678
Equipment	\$268,966	\$268,591	-\$375
Land and structures	\$112,885	\$109,560	-\$3,326
Grants, subsidies and contributions	\$32,259	\$31,309	-\$950
Insurance claims and indemnities	\$24,526	\$23,803	-\$723
Interest and dividends	\$2	\$2	\$0
<b>Total Obligations</b>	<b>\$13,129,473</b>	<b>\$13,094,079</b>	<b>-\$35,394</b>
Resources not being obligated in the current year (carrying over or lapsing)	\$373,393	\$152,314	-\$221,079
<b>Total Budgetary Resources</b>	<b>\$13,502,866</b>	<b>\$13,246,393</b>	<b>-\$256,473</b>
Payments to State DDS (funded from other services and Communications, utilities, and misc.)	\$2,248,700	\$2,185,000	-\$63,700

<sup>1</sup> Totals do not include reimbursables and may not add due to rounding.

<sup>2</sup> The obligations include the base LAE appropriation, MSP, LIS, SCHIP, NSC, MACRA, the Altmeyer Renovation, and dedicated funding to address the hearings backlog. Total budgetary resources in the table reflect FY 2019 and FY 2020 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.

<sup>3</sup> As required by the FY 2019 Omnibus General Provision 523, the Office of Communications estimates \$4.3 million of FY 2019 funds to be obligated for advertising.

<sup>4</sup> Approximately \$100 million of the Personnel Benefits increase reflects the FERS Employer Contribution increase from 13.7% to 16.0% effective October 2019 per OMB Circular A-11, June 2018.

## PERFORMANCE TARGETS

The President's FY 2020 request will allow SSA to achieve the following key performance targets:

**Table 3.19—Key Performance Targets**

Workload and Outcome Measures	FY 2018 Actual	FY 2019 Estimate <sup>1</sup>	FY 2020 Budget
<b>Retirement and Survivor Claims</b>			
Retirement and Survivor Claims Completed (thousands)	5,862	6,009	6,324
<b>Disability Claims</b>			
Initial Disability Claims Receipts (thousands)	2,354	2,295	2,376
Initial Disability Claims Completed (thousands)	2,307	2,295	2,241
Initial Disability Claims Pending (thousands)	565	565	700
Average Processing Time for Initial Disability Claims (days)	111	113	113
<b>Disability Reconsiderations</b>			
Disability Reconsiderations Receipts (thousands)	553	635	740
Disability Reconsiderations Completed (thousands)	542	597	660
Disability Reconsiderations Pending (thousands) <sup>2</sup>	115	153	233
Average Processing Time for Disability Reconsiderations (days) <sup>3,4</sup>	103	105	105
<b>Hearings</b>			
Hearings Receipts (thousands)	568	511	487
Hearings Completed (thousands)	766	779	693
Hearings Pending (thousands)	858	591	385
Annual Average Processing Time for Hearings Decisions (days) <sup>5</sup>	595	515	390
<b>National 800 Number<sup>6</sup></b>			
National 800 Number Calls Handled (millions)	32	36	36
Average Speed of Answer (ASA) (minutes)	24	13	15
Agent Busy Rate (percent)	15%	9%	12%
<b>Program Integrity</b>			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	2,286	1,803	1,774
Full Medical CDRs (included above, thousands)	897	703	674
SSI Non-Medical Redeterminations Completed (thousands)	2,913	2,822	2,822
Social Security Numbers (SSN) Completed (millions)	17	17	17
Annual Earnings Items Completed (millions)	284	285	285
Social Security Statements Issued (millions) <sup>7</sup>	15	15	15
<b>Selected Production Workload Measures</b>			

<sup>1</sup> FY 2019 estimates generally align with the targets in our FY 2019 Operating Plan. However, some estimates have changed due to updated claims receipt projections from our Office of the Chief Actuary, which affect multiple workloads.

<sup>2</sup> The increase in pending is a result of the phased-in reinstatement of the reconsideration process in the 10 prototype States.

<sup>3</sup> Reconsideration processing times could increase slightly due to reconsideration reinstatement and the effect of a learning curve in the prototype States. We will continue to monitor closely.

<sup>4</sup> Average processing time does not include the special processing of iAppeals claims that involve a specific universe of online appeals that claimants abandoned prior to completion.

<sup>5</sup> Average processing time for hearings is an annual figure. End of year (September) processing time for hearings is estimated at 460 days and 330 days for FYs 2019 and 2020, respectively.

<sup>6</sup> Due to higher than expected call volumes, attrition, and new hires that are not yet fully productive, FY 2019 ASA and ABR are expected to be higher than originally projected.

<sup>7</sup> The Social Security Statements Issued measure includes paper statements only; it does not include electronic statements issued. In FY 2018, [my Social Security](#) users accessed their Social Security Statements 45.1 million times. In FYs 2019 and 2020, we will send paper statements to people age 60 and over who are not receiving Social Security benefits and who are not registered for a [my Social Security](#) account, consistent with FY 2018.

## Limitation on Administrative Expenses

<b>Workload and Outcome Measures</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Estimate<sup>1</sup></b>	<b>FY 2020 Budget</b>
Disability Determination Services Production per Workyear	310	302	306
Office of Hearings Operations Production per Workyear	103	105	107
Other Work/Service in Support of the Public-Annual Growth of Backlog (workyears)	N/A	(700)	(2,300)

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



## PROGRAM INTEGRITY

**Table 3.20—Program Integrity Workloads and Funding by Source<sup>1</sup>**  
(Dollars in millions)

	<b>FY 2018 Actuals</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
Volumes			
Full Medical CDRs Completed	896,508	703,000	674,360
SSI Non-Medical RZs Completed	2,913,443	2,822,000	2,822,000
Funding <sup>2,3</sup>			
Unobligated Balance, start-of-year	\$195	\$68	\$71
Dedicated Program Integrity Funding	\$1,735	\$1,683	\$1,582
<b>Subtotal PI Resources</b>	<b>\$1,930</b>	<b>\$1,751</b>	<b>\$1,653</b>
Less Unobligated Balance, end-of-year	-\$68	-\$71	-\$8
<b>Total PI Obligations<sup>4</sup></b>	<b>\$1,863</b>	<b>\$1,680</b>	<b>\$1,645</b>
OASI	\$173	-	-
DI	\$280	\$329	\$288
SSI	\$1,240	\$1,351	\$1,357
HI	\$73	-	-
SMI	\$84	-	-
Medicare Part D	\$12	-	-
<b>Total PI Obligations<sup>5,6</sup></b>	<b>\$1,863</b>	<b>\$1,680</b>	<b>\$1,645</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> The Consolidated Appropriations Act, 2017 (P.L. 115-31) extended the availability of the FY 2017 Program Integrity funding through March 31, 2018. Appropriations for FYs 2018 and 2019 continued this language, and the Budget proposes to continue 18-month availability in the FY 2020 appropriation. Dedicated Program Integrity Funding represents the authorized level that was provided in BBEDCA, as amended by the Bipartisan Budget Act of 2015 (P.L. 114-74). We received the authorized amount in FY 2018 and FY 2019 and assume we will receive it in FY 2020.

<sup>3</sup> The total includes \$10 million as a transfer in FY 2019 and FY 2020 from LAE to the SSA's Inspector General (OIG) for Cooperative Disability Investigations (CDI) units team leaders. This anti-fraud activity is an authorized use of the cap adjustment.

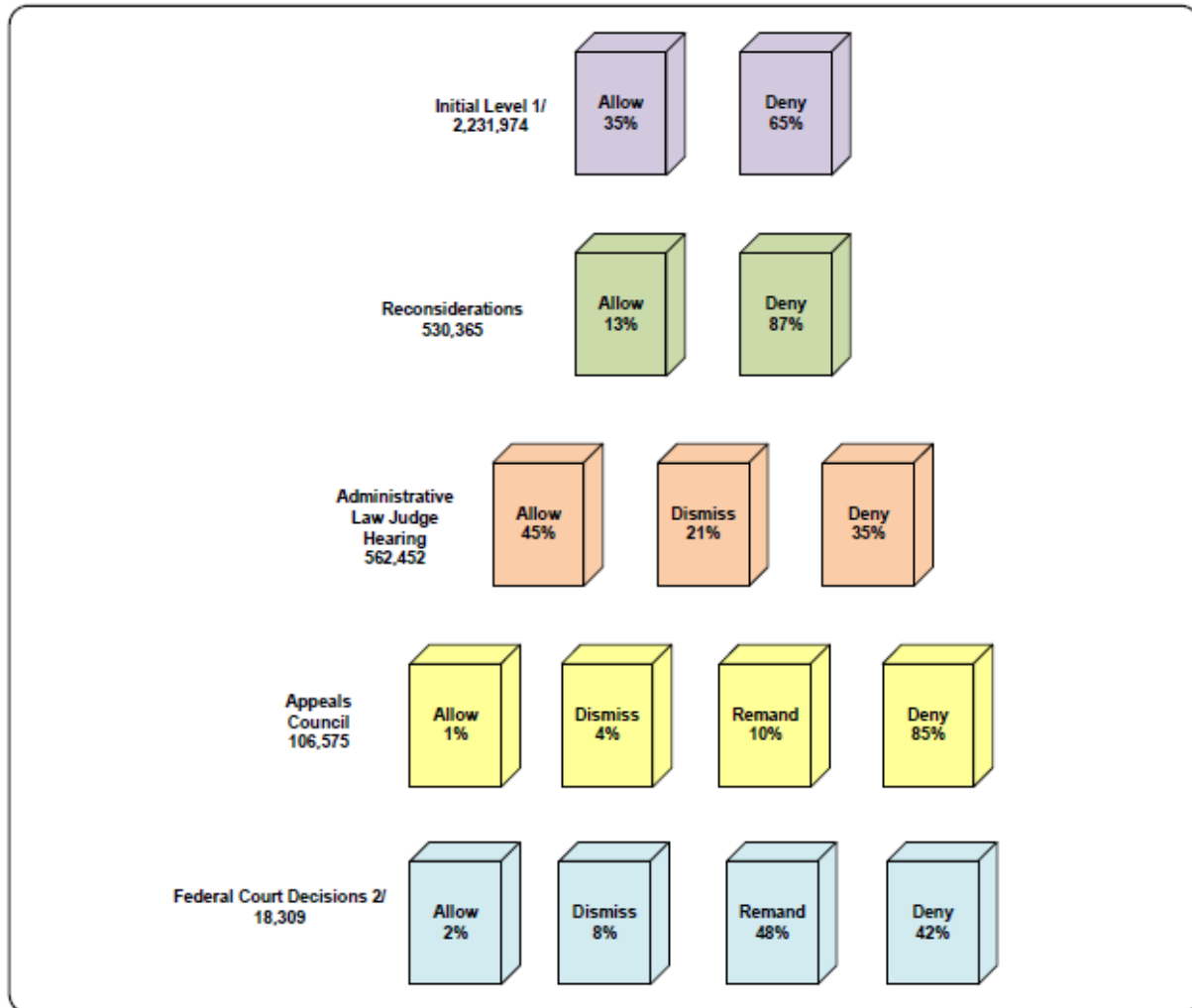
<sup>4</sup> These totals include the combined costs of CDRs, SSI Redeterminations, CDI units, and the Special Assistant United States Attorneys.

<sup>5</sup> Totals may not add due to rounding.

<sup>6</sup> In budget formulation, workload costs are projected for DI and SSI spending but not for OASI, HI, SMI, or Medicare Part D. These costs are reported with the actuals.

FY 2018 DISABILITY DECISION DATA

Table 3.21—Fiscal Year 2018 Disability Decision Data <sup>\*1, 2</sup>



\*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2018, 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.

Prepared by: SSA, ODPMI (Office of Disability Program Management Information)

Date Prepared: January 15, 2019

Data Sources:

1. Initial and Reconsideration Data: SSA State Agency Operations Report

<sup>1</sup>About 22% 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.

<sup>2</sup> Federal Court data includes appeals of Continuing Disability Reviews.

### **Limitation on Administrative Expenses**

2. Administrative Law Judge and Appeals Council data: SSA Office of Hearings Operations (OHO) and Office of Analytics, Review, and Oversight (OARO)
3. Federal Court data: SSA Office of General Counsel

### **PRIORITY GOALS**

---

To ensure our accountability to the public we serve, and as required by the GPRA Modernization Act of 2010, we established the following ambitious and outcome-focused Agency Priority Goals (APG). Our APG helps us achieve our overarching strategic goals and objectives set forth in our FY 2018-2020 Annual Performance Report (APR). These goals are:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision.
2. Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments.

We have specific measures and milestones to monitor our progress, and our goals reflect SSA's Enterprise Risk Management actions. 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.

Please see the FY 2018-2022 APR for more information on agency priority goals.

## ADDITIONAL BUDGET DETAIL

### INFORMATION TECHNOLOGY RESOURCE STATEMENT

---

We use the vast majority of our Information Technology Systems (ITS) budget to maintain our infrastructure and telecommunications network to provide timely, quality services to the public. The ITS budget pays for workstations, servers, laptops, hardware, and software, keeping our offices around the country operational. It funds IT contractors that help us plan, develop, and maintain our applications, monitor our network, perform security testing, and provide help desk support. It also includes our telecommunications network which supports our National 800 Number, data exchanges, video hearings, video training, Internet, and telephone. Lastly, it supports our data centers that maintain the benefits, earnings, and certain vital records of nearly every member of the public.

In addition to our day-to-day efforts to keep the agency functioning, two critical components of this year's ITS budget are moving forward with our comprehensive multi-year IT Modernization plan and continuing and improving our aggressive cybersecurity program.

This section covers SSA-wide IT spending across all funding sources and programs. The intention is to provide a portfolio view of major IT investments to show how these investments relate to specific activities. Additional information on specific IT investments can be viewed at the IT Portfolio Dashboard located at the following web address:

<https://www.itdashboard.gov/drupal/summary/016>

The Chief Information Officer (CIO) reviews all IT spending to ensure it includes only those projects and activities that are most critical for the agency's operations and/or have the highest payback. Our Information Technology Investment Review Board (ITIRB) governs the IT investment executive decision making and oversight process. The CIO chairs our ITIRB, with the rest of the board consisting of the top executives across the agency. Through the ITIRB, we ensure that investment proposals undergo rigorous planning, informed investment selection, transparent investment control, and relevant investment evaluation to provide the greatest benefit to our mission and to the taxpayer.

#### **IT Resource Statement**

In accordance with the Federal Information Technology Acquisition Reform Act (FITARA) of 2014, OMB Circular A-11, Sec. 51.3 and OMB FY 2019 IT Budget – Capital Planning Guidance, SSA is providing the following affirmations:

- a) SSA's CIO affirms he has collaborated with the SSA Chief Financial Officer (CFO) on the IT Budget submissions, and that it includes appropriate estimates of all IT resources included in the budget request.

**Limitation on Administrative Expenses**

- b) SSA’s CIO affirms that he has reviewed and provided significant input in approving all IT Investments included in this budget request.
- c) SSA’s CFO and CIO affirm that the CIO had a significant role in reviewing planned IT support for all major programs and significant increases and decreases in IT resources reflected in this IT budget request.
- d) SSA’s CIO affirms that the agency has developed and implemented its plan to ensure that common baseline Element D (“D1. CIO reviews and approves Major IT Investment portion of the budget request”) FITARA responsibilities are in place. The CIO common baseline rating is Fully Implemented for Element D.
- e) SSA’s CIO certifies that IT investments are adequately implementing incremental development. SSA has implemented incremental development for 33 percent of our development IT investments.

**INFORMATION TECHNOLOGY COSTS**

---

**Table 3.22—Total ITS Budget Authority**

(Dollars in Millions)	TAFS Code	FY 2018	FY 2019	FY 2020
ITS New Budget Authority	28188704	\$1,081	\$1,193	\$1,234
Prior Year Transfer/Carryover	028X8704	\$228	\$100	\$100
IT Reimbursables	28188704	\$7	\$5	\$5
Special Appropriation ITS (\$325M)	028X8704	\$44	\$81	\$42
Recovery Act (NSC)	028X8704	\$0.3	\$2	\$0
ODAR Anomaly	02817/188704	\$9	\$0	\$0
<b><i>Subtotal ITS</i></b>		<b><i>\$1,369</i></b>	<b><i>\$1,382</i></b>	<b><i>\$1,381</i></b>
Internal Labor (Payroll)	28188704	\$553	\$527	\$562
Special Appropriation Internal Labor (Payroll) (\$325M)	028X8704	\$0	\$56	\$27
<b><i>Subtotal Payroll</i></b>		<b><i>\$553</i></b>	<b><i>\$583</i></b>	<b><i>\$589</i></b>
<b>Total</b>		<b>\$1,923</b>	<b>\$1,965</b>	<b>\$1,969</b>

*Note: Totals may not add due to rounding*

Limitation on Administrative Expenses

Table 3.23—IT Costs

Dollars In Millions	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Maintenance & Lease	\$330	\$393	\$378
Contractor Support	\$527	\$521	\$505
Inter-Agency Agreement	\$7	\$7	\$8
Software	\$36	\$74	\$81
Hardware	\$209	\$165	\$177
Telecommunications	\$250	\$208	\$209
IT Service/Subscription	\$10	\$14	\$23
<b>Total</b>	<b>\$1,369</b>	<b>\$1,382</b>	<b>\$1,381</b>

Note: Totals may not add due to rounding.

Table 3.24—LAE Expired Balances & No-Year IT Account  
(Dollars in thousands)

<u>LAE Expired Accounts</u>	<u>Amounts</u>
LAE unobligated balance from FY 2014-2017	\$191,600
LAE unobligated balance available from FY 2018	\$71,900
Total LAE unobligated balance from FY 2014-2018	\$263,500 <sup>1</sup>
Amounts projected for prior year adjustments	-\$204,400 <sup>2</sup>
<b>Total LAE unobligated balance available for transfer from FY 2014-2018</b>	<b>\$59,100</b>
<b>No-Year ITS Account</b>	
Carryover from funds transferred in FY 2017 for FY 2018	\$104,600
Carryover from FY 2017 (Unobligated Balances)	\$7,640
Total carryover from FY 2017 to FY 2018	\$112,240

<sup>1</sup> Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2018.

<sup>2</sup> It is essential that these funds remain in the expired LAE accounts (FY 2014-2018) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

<b><u>LAE Expired Accounts</u></b>	<b>Limitation on Administrative Expenses</b>
	<b><u>Amounts</u></b>
Funds transferred in FY 2018 for FY 2019	\$156,404
Total FY 2018 no-year ITS funding available	\$268,644
FY 2018 Obligations	-\$227,962
Recoveries in FY 2018	\$0.00
<b>Total carryover into FY 2019</b>	<b>\$40,682</b>
Funds available for transfer in FY 2019 for FY 2019	\$59,100
<b>Total FY 2019 no-year ITS funding available</b>	<b>\$99,782</b>

## RECENT ITS PROGRESS AND ACCOMPLISHMENTS

---

### FY 2018 Accomplishments and FY 2019 Progress:

- **Arrival and Departure Information System (ADIS)** – We will establish a data exchange with the Department of Homeland Security (DHS)/Customs and Border Protection to obtain travel data via the ADIS on claimants, current recipients, and beneficiaries who travel outside the United States. Integrating ADIS data in our programmatic business processes ensures that our technicians and systems have essential evidence on absences from the U.S. to make accurate payment determinations upon adjudication of a claim and take timely post-adjudicative actions. We have reached an agreement with DHS to deliver a web service by the 4<sup>th</sup> quarter of FY 2019.
- **Authentication and Authorization** – We are developing both short-term and long-term authentication strategies by incorporating data-driven, secure, privacy-enhancing solutions to protect individuals and prevent fraud. In FY 2018 we explored opportunities to improve our capabilities in this area by partnering with an external credential service provider and collaborating on a federated approach for accessing the *my Social Security* portal.
- **Continuing Death Data Improvement** – We added nearly 8 million dates of death to the Death Master File (DMF) to support the prevention of improper payments across federal benefit paying agencies.
- **Customer Engagement Tools (CET)** – This investment focuses on the creation of interactive tools for our front-line employees and for members of the public to conduct business with us. Recent accomplishments include:
  - **Customer View** - We released the Customer View prototype. Customer View will collect aggregate beneficiary information and present it in plain language for technicians to assist Social Security customers.
  - **Click to Chat** – We introduced an option for *my Social Security* users to obtain help from an employee via live chat.
  - **Click-to Callback** – We plan to integrate this with Click-to-Chat to allow employees to manage both service channels in a single toolset, improving operational efficiency.
  - **Dynamic Help** – We upgraded to a modern knowledgebase in the cloud, improving our ability to provide answers to frequently asked customer questions.
  - **Message Center** – We moved our Message Center to the Agency Cloud Infrastructure and enhanced email and text messaging capabilities to support large volumes of online notices to customers.
- **Cybersecurity** – We implemented multi-factor authentication for the *my Social Security* website to strengthen our anti-fraud and identity theft safeguards. We also implemented new federal standards for email and internet security, and strengthened protections for



## Limitation on Administrative Expenses

our privileged user accounts. We enforced mandatory awareness training and made it easier for our users to identify and report suspected phishing attacks. We enhanced our ability to detect attempted intrusions. The agency is constantly performing penetration and vulnerability testing and will continue to work with third parties and other federal government agencies to assess our network defenses.

- **Debt Management** - We completed the first major release to modernize our debt management systems. This release contains the foundational debt structure, viewing capabilities for overpayment data, and the ability to search a debt record. In addition, we have completed the initial Pay.gov documentation and agreement with Treasury to allow us to collect debts through our website.
- **DCPS** – We completed three releases that resulted in:
  - Improved case management functionality and expanded internal Quality Assurance
  - Enhanced functionality for Case Analysis, Case Receipt, Dashboard, Evidence, Fiscal, and Internal Quality Assurance
  - Support for Initial Adult CDRs, enhanced consultative exam search capabilities, provided locking capability for fiscal payment requests (to prevent multiple users editing the same fiscal record), allowed system administrators to set case thresholds for examiners, provided the ability to identify the fiscal invoice pages in a payment request, allowed supervisors to assign/reassign referrals, and added Missouri and Vermont as production sites.
- **IMAGEN** – We began testing decision support software that uses natural language processing and related technologies. The software extracts relevant content from medical evidence of record, which improves usability and efficiency for disability adjudicators to search, filter, and identify the necessary information for adjudicating disability claims.
- **Infrastructure** –
  - **Data Center** - We continue to meet increasing online public service demands and exceed our 99.8 percent operational service level targets. FY 2018 availability was 99.94 percent, and FY 2019 availability was 99.97 percent through the first quarter. Our data center infrastructure remains reliable and secure using Amazon Web Services for public cloud, open source solutions for on-premise cloud, and IBM z/13 and z/14 enterprise-class mainframe technologies. Our data center now has two cloud infrastructure options - public cloud and on-premise cloud.
  - **Cloud Adoption Increasing** – There are 38 software initiatives of which 15 are in production. All IT Modernization efforts are utilizing cloud infrastructure.
  - **Platform Independence** - We are balancing our computing and application hosting across mainframe and cloud.
  - **E-mail in the Cloud Implementation** – In FY 2019 we have established ExpressRoute connectivity to Microsoft Government Azure Cloud and a security

## Limitation on Administrative Expenses

assessment is in progress. Based on the agency plan, in August 2019 we will begin migration of Microsoft Exchange mailboxes to the Microsoft Office365 production environment and will complete migration in 2020.

- **Internet Social Security Number Replacement Card** – We continued to expand the availability of our online application for a replacement Social Security card to additional states, bringing the total to 34 states, plus the District of Columbia. We will continue to expand iSSNRC to additional States throughout FY 2019.
- **Insight** – We deployed this decisional quality tool to all hearings offices.
- **IT Modernization** - We released functionality across eight business and technical domains to better serve the public through a modern technology foundation:
  - **Communications** – We enhanced Customer Communications Management architecture to support online notices and provide the technical foundation for future expansion of notices in the digital delivery channel.
  - **Disability** – We implemented two releases of the Hearings and Appeals Case Processing System which, when fully implemented, will retire systems including the Case Processing Management System, the Appeals Review Processing System, and the Document Generation System.
  - **Benefits** – We released functionality that allows an employee to complete the claim data collection using the SSI Claims intranet software application that is easier for our technicians to use and reduces data entry.
  - **Earnings** – We retired outdated software and released software improvements to detect wage reporting errors, allowing more timely error correction.
  - **Enumeration** – We added nearly 8 million historical death records to the NUMIDENT and updated the DMF with this data to prevent improper payments.
  - **Infrastructure** – We extended our infrastructure to include on-premise cloud for development of business solutions requiring proximity to data center resources to mitigate performance risk associated with using public cloud.
  - **Data** – We retired two outdated legacy databases and released functionality that improved data standardization by incorporating global reference tables and new data elements, eliminated redundancy/inconsistency in data collection/storage with a new database structure, and reduced risks/dependencies by decoupling shared programs between Title II and the Person Information database.
- **my Social Security** – We enhanced our online wage reporting application to improve the user experience and allow disabled SSI beneficiaries and their representative payees to use the application.
- **iAppeals** – We provided claimants the ability to file a Request for Review of a hearing decision electronically.

## Limitation on Administrative Expenses

- **Quantum Leap** – We increased the network bandwidth capacity of additional field offices to increase computer speed and performance. The upgrade increases the download speed to 100 megabits per second from the prior download speeds of between 3 to 10 megabits per second (about as fast as a single iPhone 6 on a 4G network).
- **Representative Payee** – We added functionality to easily identify and communicate to foster care agencies information regarding overpayments of minors while the foster care agency is responsible for the minor.
- **SSI Modernization** – We eliminated the green screens employees use to document SSI claims information, and replaced them with modern web screens, which also eliminated the need for COBOL code supporting those screens.

## FY 2020 ITS BUDGET HIGHLIGHTS

---

The total FY 2020 funding level for IT is \$1,969 million, an increase of \$4 million above the FY 2019 enacted level. Below are several of SSA's top priorities.

- **(CET) (\$3M):** The CET investment seeks to modernize how we manage online customer service requests. It will include a new communication functionality to *my Social Security* registrants and incorporate the use of web-based features that will enhance our ability to assist online users. Overall, this initiative will expand communication methods and provide interactive services for the public.
- **Cybersecurity (\$139M):** Cybersecurity is a top priority, and securing the systems and data we need to administer our programs is foundational to our modernization efforts. This domain is focused on addressing ongoing cyber threats and ensuring that data and business processes remain secure. It incorporates security and privacy controls into our applications and the design of our IT environments and systems. It also involves adding security controls to address the risks inherent in our legacy applications, ensuring continuous monitoring, a comprehensive integrity review process, and employee access to only the resources that are appropriate for their job function.
- **DCPS (\$10M):** DCPS will replace 52 independently operated State DDS systems with a modern, common case-processing system. DCPS will provide more efficient disability case processing, improve customer service, and reduce administrative costs.  
  
Seventeen DDSs (Delaware, Maine, Ohio, Virginia, Iowa, Rhode Island, South Dakota, Washington, Nebraska, the District of Columbia, Missouri, Vermont, Louisiana, Wyoming, New Jersey, Kansas, and Mississippi) currently use DCPS. Twenty more will deploy DCPS throughout the remainder of FY 2019. In FY 2020, we will complete product rollout to remaining DDS sites. In FY 2020 and beyond, DCPS will be the central vehicle for future nationally uniform policy improvements to the disability determination process.
- **Debt Management Product (DMP) (\$5M):** We are modernizing our program debt management systems to eventually replace over 20 legacy systems through the DMP, a

## Limitation on Administrative Expenses

multi-year, multi-release IT investment. It will provide one comprehensive overpayment system to streamline our overpayment business process and enable us to more effectively and efficiently post, track, collect, and report overpayments. Additionally we are enhancing the remittance and waiver process.

- **IT Modernization (\$155M):** Our IT Modernization initiative reflects our strong commitment to service to the public, while also emphasizing use of efficient, affordable and secure IT solutions. We will better serve the public with a modern technology foundation that retires outdated legacy systems, reduces reliance on old mainframe architectures, employs agile development, and improves our ability to respond to changes in the programs we administer and the technology we rely on to deliver service. As we modernize in FY 2020, we will increase the number of notices beneficiaries can access online via their *my Social Security* account, implement new software to support the initial claims process, expand the use of modern software to adjudicate cases at the hearings and appeals levels, and revise our annual wage reporting processes to increase use of electronic wage reporting.
- ***my Social Security* (\$6M):** The Budget proposes to reduce improper payments in disability programs by targeting administrative resources to the development of a uniform system of reporting in *my Social Security*. In FY 2019 and FY 2020, the product will improve self-service for individuals planning for Social Security benefits, introducing new tools to create custom retirement estimates, determine spousal benefits, and correct information on their earnings record prior to starting an application. The product will expand self-service access to representative payees with the ability to conduct annual accounting, request benefit verifications, and access tax related documents for the individuals that they represent. In support of Section 824 of the Bipartisan Budget Act (BBA), the product will allow individuals to consent to automated information exchange with payroll data providers to obtain verified wage and employment information without the need for independent verification. This will supplement additional enhancements to our online wage reporting service (my Wage Report) that now allows both Social Security Disability Insurance and SSI recipients to submit monthly wages and immediately process the reports within the benefit system. We are also working toward a holistic view that provides all beneficiaries' data in one electronic location, while simultaneously developing a network of automated processes across other IT platforms for work-related benefit payment adjustments, work continuing disability reviews, redeterminations, and payments to Ticket to Work providers.
- **Next Generation Telephony Project (NGTP) (\$105M):** NGTP will converge the three telephony systems into one Unified Communication platform designed to improve business and public services through Omni-channel telecommunications access. In FY 2020, the build out of the NGTP enterprise and site implementation rollout continues.
- **Representative Payee (\$6M):** The Strengthening Protections for Social Security Beneficiaries Act improves and strengthens the representative payment program. In

### **Limitation on Administrative Expenses**

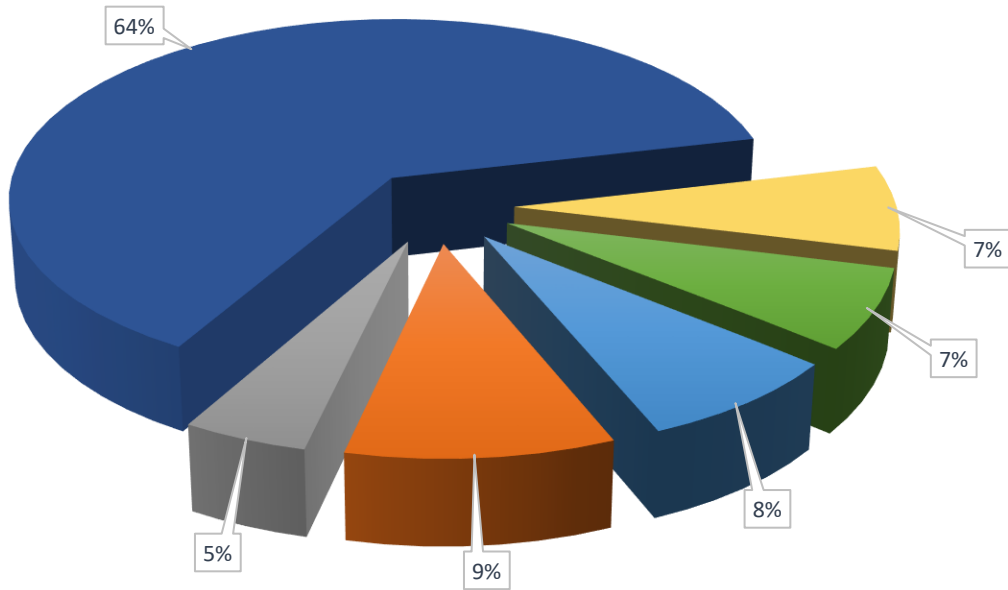
FY 2020, we will continue work on various sections of The Strengthening Protections for Social Security Beneficiaries Act of 2018:

- Section 101: Continue work on better representative payee monitor and improve misuse functionality
- Section 103: Complete work on the data exchange with States for foster care data
- Section 104: Continue work on functionality to identify overpayments on which the State is liable and to halt the overpayment collection from the beneficiary
- Section 202: Continue work on criminal background check functionality
- Section 202: Start work on functionality to prevent selecting representative payees who have a representative payee

## OUR ITS PORTFOLIOS

---

We have divided our IT investments into six portfolios: IT Modernization, Agency Programmatic Applications, Agency Administrative Applications, Infrastructure, IT Governance and Support, and Cybersecurity. Please see the pie chart below that illustrates how our total FY 2020 ITS budget is divided by portfolio. Detailed summary tables follow.



- IT Modernization 8%
- Agency Programmatic Applications 9%
- Agency Administrative Applications 5%
- Infrastructure 64%
- IT Governance and Support 7%
- Cybersecurity 7%

Table 3.25—ITS Budget Summary by Portfolio

<b>(Dollars in Millions)</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Special Appropriation IT Funds	\$44	\$81	\$42
LAE IT Funds	\$45	\$29	\$64
Special Appropriation Internal Labor	\$0	\$56	\$27
Internal Labor	\$42	\$0	\$23
Anomaly IT Funds	\$9	\$0	\$0
<b><i>IT Modernization, Subtotal</i></b>	<b><i>\$141</i></b>	<b><i>\$167</i></b>	<b><i>\$155</i></b>
LAE IT Funds	\$983	\$1,030	\$1,056
Internal Labor	\$191	\$191	\$201
<b><i>Infrastructure, Subtotal</i></b>	<b><i>\$1,174</i></b>	<b><i>\$1,221</i></b>	<b><i>\$1,257</i></b>
LAE IT Funds	\$41	\$17	\$18
Internal Labor	\$118	\$122	\$129
<b><i>IT Governance &amp; Support, Subtotal</i></b>	<b><i>\$159</i></b>	<b><i>\$139</i></b>	<b><i>\$146</i></b>
LAE IT Funds	\$54	\$39	\$52
Internal Labor	\$33	\$40	\$39
<b><i>Agency Administrative Applications, Subtotal</i></b>	<b><i>\$87</i></b>	<b><i>\$79</i></b>	<b><i>\$91</i></b>
LAE IT Funds	\$114	\$63	\$48
Internal Labor	\$134	\$137	\$133
<b><i>Agency Programmatic Applications, Subtotal</i></b>	<b><i>\$248</i></b>	<b><i>\$200</i></b>	<b><i>\$181</i></b>
LAE IT Funds	\$79	\$123	\$101
Internal Labor	\$35	\$37	\$37
<b><i>Cybersecurity, Subtotal</i></b>	<b><i>\$114</i></b>	<b><i>\$160</i></b>	<b><i>\$139</i></b>
<b>Total ITS Portfolios</b>	<b>\$1,923</b>	<b>\$1,965</b>	<b>\$1,969</b>

Note: Totals may not add due to rounding.

### **IT Governance and Support**

**Description:** The IT Governance and Support portfolio provides for enterprise-wide shared delivery capability, including the central personnel and account managers for products and services shared across the enterprise. The IT Management standard investment captures all costs associated with IT Management and Strategic Planning (including CIO and other senior leadership full-time equivalent (FTE) costs), Enterprise Architecture, Capital Planning, IT Budget/Finance, IT Vendor Management, 508 Compliance, general IT policy and reporting, and IT Governance.

**Limitation on Administrative Expenses**

**FY 2020 Budget:** \$146.2 million, an increase of \$7.4 million from FY 2019.

**IT Governance and Support**

IT Budget (in Millions)	FY 2018			FY 2019			FY 2020		
	ITS	Internal Labor	Total	ITS	Internal Labor	Total	ITS	Internal Labor	Total
Delivery	\$14.4	\$0.0	\$14.4	\$2.1	\$4.9	\$7.0	\$2.1	\$6.8	\$8.9
IT Management (S)	\$27.0	\$118.0	\$145.1	\$14.6	\$117.2	\$131.8	\$15.4	\$121.9	\$137.4
<b>Total IT Governance and Support</b>	<b>\$41.4</b>	<b>\$118.0</b>	<b>\$159.5</b>	<b>\$16.7</b>	<b>\$122.1</b>	<b>\$138.8</b>	<b>\$17.6</b>	<b>\$128.7</b>	<b>\$146.2</b>

*Note: Totals may not add due to rounding.*

- The Delivery standard investment provides for the provisioning of enterprise-wide shared delivery capability. This includes the central Project Management Office personnel and account managers for products and services shared across the enterprise.
- The IT Management standard investment captures all costs associated with IT Management and Strategic Planning (including CIO and other senior leadership FTE costs), Enterprise Architecture, Capital Planning, IT Budget/Finance, IT Vendor Management, 508 Compliance, general IT policy and reporting, and IT Governance.

**INFRASTRUCTURE**

**Description:** The Infrastructure portfolio provides the overall foundation from which the entire agency's IT is designed, developed, and operated. It includes our telephones and telecommunications systems, computers for our approximately 63,000 employees across the nation, end user software, help desk support, and data center and cloud infrastructures. With extensive workloads and new service delivery channels, our reliance on IT and electronic data continues to increase. The initiatives within Infrastructure assure the sustained operation of current IT and provide an environment to support the growth of the agency's new systems and technical infrastructure. Through IT Modernization, and specifically the Infrastructure domain, we are facilitating and expediting our infrastructure modernization capability to meet the Business Domain software development requirements.

**FY 2020 Budget:** \$1,257.1 million, an increase of \$36.0 million from FY 2019. The increase will be used primarily for necessary storage, data network hardware refreshments and new telephone contracts, including the NGTP.



**Infrastructure**

IT Budget (in Millions)	FY 2018			FY 2019			FY 2020		
	ITS	Internal Labor	Total	ITS	Internal Labor	Total	ITS	Internal Labor	Total
Application Standard Investment	\$55.1	\$56.5	\$111.7	\$32.9	\$44.2	\$77.1	\$33.4	\$45.5	\$78.8
Data Center Standard Investment	\$445.4	\$36.2	\$481.6	\$413.4	\$36.8	\$450.2	\$436.4	\$39.2	\$475.6
End User Standard Investment	\$125.8	\$79.7	\$205.5	\$118.8	\$83.5	\$202.4	\$114.4	\$87.1	\$201.5
Network Standard Investment	\$348.5	\$18.6	\$367.1	\$458.4	\$19.6	\$478.0	\$464.8	\$21.4	\$486.2
Platform	\$8.2	\$0.0	\$8.2	\$6.6	\$6.9	\$13.6	\$6.8	\$8.2	\$15.0
<b>Total Infrastructure</b>	<b>\$983.0</b>	<b>\$191.0</b>	<b>\$1,174.1</b>	<b>\$1,030.1</b>	<b>\$191.0</b>	<b>\$1,221.1</b>	<b>\$1,055.8</b>	<b>\$201.4</b>	<b>\$1,257.1</b>

*Note: Totals may not add due to rounding.*

Consistent with OMB's IT Budget Capital Planning Guidance, we have reorganized the Infrastructure portfolio into five standard investments to align with the Technology Business Management Framework.

- The Data Center and Cloud investment provides the IT Infrastructure for our data center facilities. It maintains our physical and virtual servers, offline storage resources, and supports the transfer of information between the agency and internal/external customers.
- The End User investment provides IT resources such as workstations, mobile devices, end user software, and helpdesk support, which are required to meet workload demands.
- The Network investment provides data, voice, services, equipment, access arrangements, cable, and wiring to manage network and telecommunications activities.
- The Application investment includes resources for analysis, design, development, code, and testing as well as release packaging support services for development projects and operations, support, fixes and minor enhancements for existing applications. It also includes distributed database services, distributed platform, application and system integration resources enabling cross application development. This includes both distributed and mainframe platforms.
- The Platform standard investment is new for the FY 2020 reporting cycle. IT provides enterprise-wide platform capability that includes database,

**Limitation on Administrative Expenses**

middleware, mainframe database, and mainframe middleware, which were all previously under the Application Tower.

**AGENCY PROGRAMMATIC APPLICATIONS**

**Description:** The Agency Programmatic Applications portfolio includes investments for systems used by employees to serve the public, initiatives enabling the public to conduct on-line transactions with SSA, and the applications and transactions we make with other government agencies.

**FY 2020 Budget:** \$181.0 million, a decrease of \$18.9 million from FY 2019 reflecting current planned application investments.

**Agency Programmatic Applications**

IT Budget (in Millions)	FY 2018			FY 2019			FY 2020		
	ITS	Internal Labor	Total	ITS	Internal Labor	Total	ITS	Internal Labor	Total
(Dollars in Millions)									
Anti-Fraud Investments	\$7.2	\$6.2	\$13.3	\$7.3	\$5.4	\$12.7	\$9.2	\$5.4	\$14.6
Data Exchange	\$5.1	\$4.6	\$9.6	\$0.3	\$8.8	\$9.1	\$0.3	\$10.9	\$11.2
Disability Claim Processing	\$48.7	\$34.2	\$82.9	\$34.4	\$31.1	\$65.5	\$16.4	\$27.3	\$43.6
Earnings	\$3.4	\$7.7	\$11.1	\$2.0	\$7.2	\$9.2	\$2.1	\$7.4	\$9.5
Electronic Services Investments	\$27.1	\$26.3	\$53.4	\$9.6	\$31.6	\$41.2	\$10.5	\$27.8	\$38.4
Enumeration	\$1.7	\$2.6	\$4.3	\$1.2	\$2.8	\$4.1	\$1.3	\$2.9	\$4.2
Medical Evidence Processing Investments	\$2.1	\$3.1	\$5.2	\$0.2	\$3.4	\$3.6	\$0.2	\$3.1	\$3.3
Notice Improvement	\$0.9	\$5.5	\$6.5	\$0.7	\$4.3	\$5.0	\$0.7	\$4.4	\$5.1
Payment Accuracy Investments	\$5.8	\$6.4	\$12.3	\$0.2	\$10.9	\$11.1	\$0.2	\$11.2	\$11.4
Title II Processing	\$8.2	\$21.4	\$29.5	\$5.1	\$20.8	\$26.0	\$5.3	\$21.5	\$26.8
Title XVI Processing	\$3.3	\$11.6	\$14.8	\$2.0	\$10.5	\$12.5	\$2.0	\$10.9	\$12.9
Retired Investments	\$0.0	\$4.8	\$4.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Agency Programmatic Applications</b>	<b>\$113.5</b>	<b>\$134.3</b>	<b>\$247.8</b>	<b>\$63.0</b>	<b>\$136.9</b>	<b>\$199.9</b>	<b>\$48.1</b>	<b>\$132.8</b>	<b>\$181.0</b>

*Note: Totals may not add due to rounding.*

Anti-Fraud Investments

- Anti-Fraud Support Systems - This investment is to support and maintain the legacy applications needed to provide robust and flexible fraud and abuse detection and prevention programs.
- Anti-Fraud Enterprise Solution – This major IT investment supports a dynamic and flexible enterprise-wide anti-fraud solution that employs advanced data analytics to identify patterns indicative of fraud, improve functionality for data-driven fraud triggers, conduct real-time risk analysis, and integrate technology into Office of Anti-Fraud Programs’ (OAFP) anti-fraud business processes.

Data Exchange

- Arrival and Departure Information System (ADIS) – This investment is to obtain travel data from ADIS as the primary reporting source of absences from the U.S needed for proper benefit payments.
- Data Exchange Support Systems – This investment supports managed file transfer software on z/OS, windows, and Unix platforms in order to assist with the delivery of data to internal/external data exchange customers. It includes, but is not limited to, the use of automated software, management information-gathering tools, and diagnostic procedures for troubleshooting.
- Data Exchange Product – This investment provides a centralized, interactive, and dynamic user-friendly experience for requesting, sending, receiving, and administering incoming and/or outgoing data exchanges.

Disability Claim Processing

- DCPS – DCPS will transition the State DDSs from 52 fragmented, highly customized legacy systems to a common system that uses automated tools and leverages current technology. DCPS will benefit SSA’s disability process functionality and technology by providing full process integration, ease of sharing disability processing workload across DDS sites, a common interface with other SSA offices and systems, and a dramatic reduction in the technological complexity of system support. In FY 2020 and beyond, DCPS will be the central vehicle for future nationally uniform policy improvements to the disability determination process.
- DDS Automation – The investment provides the State DDSs with the technology needed to collect, process, maintain, share, transmit, disseminate, store and retrieve disability claimant information electronically. We will ultimately retire the multiple DDS case processing systems and replace them with DCPS. DDS Automation will continue to support ongoing disability determination operations by maintaining functional and technical aspects of the DDS legacy systems until entirely replaced by DCPS.

## Limitation on Administrative Expenses

- Disability Claim Processing Applications – This investment covers multiple ongoing projects to maintain existing disability support applications and make modifications as needed.
- BBA Section 823 – Promoting Opportunity Demonstration (POD) - Section 823 of the BBA of 2015 mandates that SSA conduct a demonstration to test a \$1 for \$2 benefit offset for Social Security Disability Insurance beneficiaries. The POD investment will provide an IT system to allow us to conduct this test.
- Unprocessed Medical Cessations – Enhancements will establish automated solutions to prevent improper payments due to unprocessed medical cessations following Continuing Disability Reviews.
- Disability Quality Review (DQR) – This investment will replace the legacy client-server system, Disability Case Adjudication and Review System with a web-based modernized Quality Assurance system. DQR provides Disability Examiners at Disability Quality Branches the ability to perform pre-effectuation reviews on DDS disability decisions
- Rep Payee Support Systems - Ongoing activities for Representative Payee systems. Reduces backlogs of pending misuse cases by preventing and correcting improper actions within the electronic Representative Payee System.
- Rep Payee Legislative Changes – Implement the Strengthening Protections for Social Security Beneficiaries Act of 2018 related to representative payee reviews, payee accounting, and program integrity.

## Earnings Investments

- Earnings Support Systems – This investment consists of projects to conduct ongoing maintenance and cyclical activities for the existing applications that support annual wage reporting and electronic wage reporting processes.

## Electronic Services Investments

- CET – this major IT investment focuses on the creation of interactive tools members of the public, to conduct business with the SSA. The purpose of this investment is to offer mission-essential benefits, including developing and increasing the use of self-service options and enhancing the online experience for the public by completing business at the first point of contact. Overall, this initiative will expand online communication methods and provide interactive services. The expansion of these services will provide an enhanced customer experience and assist users in managing their personal information and benefits.
- *my Social Security* Services – this major IT investment is to create a personalized, interactive, customizable, and secure one-stop shop for all Social Security electronic services, while providing a superior customer experience. We identify *my Social*

## Limitation on Administrative Expenses

**Security** as the online gateway to SSA for our customers. This investment's goal is to design and develop the products necessary to enable **my Social Security** to meet business needs.

- Electronic Services - This initiative focuses on expanding online access for the public through various delivery channels and continuing to develop and enhance the agency's E-Government and eServices architecture over the next several years.

### Enumeration

- Enumerations Support Systems – This initiative provides routine maintenance, enhancements as required, and investigation and correction of anomalies for all current and legacy Enumerations support applications.

### Medical Evidence Processing Investments.

- Health Information Technology– This investment creates efficiencies in the disability process by enhancing the ability to apply data analysis and business rules against medical evidence. Our outreach efforts with potential new partners and our collaboration with DoD, VA, and eHealth Exchange have increased the volume of electronic medical evidence.
- Electronic Records Express for Experts - The OHO contracts with medical and vocational experts to perform services such as providing testimony and responding to interrogatories. Each year OHO burns over 1 million CDs for experts. With this investment, OHO will require eFolder usage for all individual experts and expert companies, and eliminate the burning and mailing of encrypted CDs for these contractors.

### Notice Improvement Investments

- Notice Improvement - This initiative captures the ongoing cost for notices applications and Special Notice Option support.

### Payment Accuracy Investments

- DMP - This initiative redesigns the Title II and Title XVI systems and corresponding accounting systems to unbundle debts, prioritize debts, apply benefit withholding or remittances to a specific overpayment, and centralize overpayment data. It will streamline and optimize the remittance process for programmatic debt collection.
- Payment Accuracy Support Systems – This initiative maintains the legacy applications that enable us to compute, process, and disburse payments to and from program beneficiaries and recipients, representatives, and other public and private entities.

**Limitation on Administrative Expenses**

*Title II Processing Investments*

- Title II Processing Applications - This initiative will maintain systems processing efficiency, including accuracy and timeliness of Title II payments and Medicare transactions.
- PC Automation - The goal of the Processing Center (PC) Automation Initiative is to eliminate or reduce high-volume PC alerts, exceptions, and processing limitations via automation of Title II Applications and Processes.

*Title XVI Processing*

- Title XVI Processing Applications – This initiative maintains the programmatic systems for processing initial claims and post-entitlement actions.

**AGENCY ADMINISTRATIVE APPLICATIONS**

---

**Description:** The Agency Administrative Applications portfolio includes initiatives for administrative services and support systems. This includes functional areas such as financial management, human resources, acquisitions, accounting, training, and communications.

**FY 2020 Budget:** \$91.5 million, an increase of \$12.7 million from FY 2019. The increase is primarily due to the agency Records Management solution planned for FY 2020.

**Agency Administrative Applications**

IT Budget (in Millions)	FY 2018			FY 2019			FY 2020		
	ITS	Internal Labor	Total	ITS	Internal Labor	Total	ITS	Internal Labor	Total
Business Intelligence-Data Analytics	\$17.7	\$13.9	\$31.7	\$5.4	\$18.1	\$23.5	\$5.4	\$18.6	\$24.0
Financial Systems	\$22.2	\$7.6	\$29.8	\$15.8	\$6.7	\$22.6	\$17.7	\$6.8	\$24.4
Human Resources Investments	\$5.8	\$8.1	\$13.9	\$5.4	\$8.0	\$13.4	\$5.1	\$7.9	\$13.0
Legal/Public Disclosure Processing	\$2.9	\$1.5	\$4.5	\$5.6	\$4.2	\$9.8	\$20.1	\$2.6	\$22.7
Reimbursable Services (NM)	\$2.5	\$2.0	\$4.5	\$3.6	\$3.1	\$6.8	\$1.2	\$3.2	\$4.4
E-Government Initiatives	\$2.6	\$0.0	\$2.6	\$2.7	\$0.0	\$2.7	\$2.9	\$0.0	\$2.9

**Agency Administrative Applications**

IT Budget (in Millions)	FY 2018			FY 2019			FY 2020		
<b>Total Agency Administrative Applications</b>	<b>\$53.8</b>	<b>\$33.2</b>	<b>\$86.9</b>	<b>\$38.5</b>	<b>\$40.2</b>	<b>\$78.8</b>	<b>\$52.4</b>	<b>\$39.1</b>	<b>\$91.5</b>

*Note: Totals may not add due to rounding.*

Business Intelligence and Data Analytics Investments

- Business Intelligence and Data Analytics - This investment supports the development of Business Intelligence tools, collection of management information, and the retirement of legacy systems, which will assist the agency to make better data-driven decisions.

Financial Systems

- Financial Management Systems – This investment supports the agency’s compliance with applicable accounting principles, standard, and related requirements; management control standards; and policies and requirements prescribed by OMB and the Department of the Treasury.

Human Resources Investments

- Human Resources Support Systems - This investment focuses on improving the overall effectiveness of Human Resources systems. Its objective is to leverage technology to help build a model workforce and support the ability to provide quality service to the public.
- Human Resources (HR) Portal – This investment provides supervisors, employees, and administrators with a usable, quality product to centralize and support human resources functions. Continuing the development effort will allow the agency to improve our HR Portal services by redesigning the HR Portal home page, and expanding personnel analytics, processing, and reporting.

Legal/Public Disclosure Processing Investments

- Electronic Discovery – This investment supports the identification, preservation, retention, review, and production of electronically stored information (ESI) in the agency’s custody and control, which may ultimately be used in litigation, investigations, or third-party inquiries.
- Legal Automated Workforce System (LAWS) Critical Needs – This investment will provide critical and short-term workload management capabilities to meet OGC's core

## Limitation on Administrative Expenses

business needs and Agency Strategic goals by providing solutions for Business Intelligence and LAWS application changes using existing architecture.

- Electronic Records Management Product – This investment supports the agency’s implementation of OMB/NARA initiatives identified in the OMB/NARA Memorandum M-12-18, and Presidential Memorandum - Managing Government Records. These initiatives require all Federal agencies to manage both permanent and temporary email records in an accessible electronic format and manage all permanent electronic records in an electronic format.

## Reimbursable Services

- Reimbursable Services – This initiative supports different types of reimbursable services that utilize data exchanges with other entities. Public reimbursable services are services provided to other Federal agencies under a reimbursable agreement. Private reimbursable services are services provided under agreement to State/Local agencies.

## E-Government Services

We support many E-Government initiatives. These initiatives serve individuals, 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.

## SSA E-GOV CONTRIBUTIONS

---

**Table 3.26—SSA E-Gov Contributions**  
(Dollars in thousands)

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Disaster Assistance Improvement Plan	56	56	56
E-Federal Health Architecture LoB	100	0	0
E-Rulemaking	30	30	29
Federal Public Key Infrastructure Bridge (FPKI)	168	486	212
Financial Management LoB	67	67	67
Geospatial LoB	25	25	25
Benefits.gov	324	415	394
Grants.gov	30	26	21
Human Resources Management LoB	137	137	137
Integrated Award Environment (IAE)	874	944	688
Budget Line of Business LoB	55	55	55



**Limitation on Administrative Expenses**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Freedom of Information Act Portal	0	47	48
USA JOBS	450	447	476
<b>Total</b>	<b>\$2,317</b>	<b>\$2,735</b>	<b>\$2,207</b>

*Note: Totals may not add due to rounding.*

SSA 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.
- **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.
- **FPKI** provides the agency with a common infrastructure to administer digital certificates and public-private key pairs, including the ability to issue, maintain, and revoke public key certificates. In addition, implementation of FPKI allows SSA to meet the mandatory requirement of OMB Memorandum M-11-11 for ICAM.
- **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.
- **Benefits.gov** helps promote awareness of SSA’s benefit programs to the public, assisting SSA in its strategic goals to deliver services effectively and improve the way we do business.
- **Grants.gov** provides a single, online portal and central storehouse of information on grant programs for all Federal grant applicants.
- **Human Resources Management LoB** provides common core functionality to support the strategic management of Human Capital government-wide.
- **IAE** creates a secure environment to facilitate the acquisition of goods and services.
- **Budget Formulation and Execution LoB** supports the Federal Government’s effort to improve agency budgeting through collaboration and information sharing.

## Limitation on Administrative Expenses

- **Freedom of Information Act (FOIA) Portal** supports the FOIA Improvement Act of 2016, which required a central, online request portal allowing the public to request records under the FOIA to any federal agency from a single website. This Portal will include customized agency landing pages containing agency mission statements, FOIA reference guides, regulations, contact information, request forms, and links to FOIA libraries.

**Table 3.27—Other SSA Expenses/Service Fees Related to E-Gov Projects**  
(Dollars in thousands)

	<b>FY 2018 Actual</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
Recruitment One-Stop	\$432	\$443	\$478
E-Payroll	\$18,954	\$19,647	\$20,236
E-Travel	\$750	\$750	\$750
<b>Total</b>	<b>\$20,136</b>	<b>\$20,841</b>	<b>\$21,465</b>

*Note: Totals may not add due to rounding.*

## CYBERSECURITY

**Description:** The Cybersecurity portfolio is vital to protecting the Personally Identifiable Information of everyone we serve. As cyberattacks continue to evolve and become increasingly aggressive, we must be vigilant and protect against network intrusions and improper access of data. Through constant assessment of the threat landscape and use of advanced cybersecurity controls in the creation of modernized IT systems and existing systems, we can better protect against cybersecurity incidents and risks.

**FY 2020 Budget:** The FY 2020 budget of \$138.6 million shows a \$20.9 million decrease from FY 2019 funding levels. The primary reasons for changes in cost are hardware refreshments, initial software procurement costs, and the professional services needed in FY 2019 only. After FY 2019, only maintenance support will be required. This includes additional licensing and expansion of capabilities within the Agency's CDM toolsets.

**Table 3.28—Cybersecurity Budget Summary**

IT Budget (in Millions)	FY 2018			FY 2019			FY 2020		
	ITS	Internal Labor	Total	ITS	Internal Labor	Total	ITS	Internal Labor	Total
Cybersecurity (IT Security & Compliance)	\$78.9	\$35.1	\$113.9	\$122.9	\$36.6	\$159.5	\$101.5	\$37.1	\$138.6

*Note: Totals may not add due to rounding.*

## **Limitation on Administrative Expenses**

In FY 2019, we will implement new capabilities for identifying and mitigating vulnerabilities within our IT assets. We will enhance our identity management platform, further automate our response to security events, and improve data at rest encryption to further protect our information assets. We will deploy IT infrastructure, develop network models needed to enhance our network access controls, and strengthen our strategy to limit the impact of potential cyberattacks.

In FY 2020, we will continue to tune our cybersecurity infrastructure and ability to find and remove vulnerabilities by using automated workflows. We will automate our response processes to provide seamless integration from the identification of threats through the mitigation of vulnerabilities, as well as implement additional protections designed to limit the impact of potential cyberattacks.

We continue to maintain an effective cybersecurity program as assessed by DHS via the Risk Management Assessment. We have consistently achieved and maintained a rating of “Managing Risk” overall from the Assessment. We continue to mature our Cybersecurity Program annually to maintain that rating.

### **Authentication and Authorization**

We are developing both short-term and long-term authentication strategies by incorporating data-driven, secure, privacy-enhancing solutions to protect our customers and prevent fraud. We will implement these strategies through several multiyear initiatives from FY 2019 through FY 2023.

In addition to guidance provided by the Cybersecurity Act of 2015, the latest National Institute of Standards and Technology guidelines encourage agencies to move to a federated identity, or federation. We are in the process of modernizing our legacy systems to a shared federated identity management platform, which will allow us to use providers in the public and private sectors that can effectively and efficiently identity-proof and authenticate individuals. We will develop new capabilities to enhance our existing authentication ecosystem to allow for federation including but not limited to infrastructure changes to support federation, attribute validation/verification, adaptive authentication mechanisms and/or expanded authenticators accepted/used.

In FY 2018, we explored opportunities to improve our capabilities in this area by partnering with an external credential service provider and collaborating on a federated approach for accessing the **my Social Security** portal. We established a business process for federation and conducted limited testing of the business process to gather feedback and lessons learned. In FY 2019, we will expand the capabilities of our federation effort by enhancing our authentication architecture to support expansion of the federation testing. Additionally, we will enhance our existing authentication ecosystem to increase security while balancing ease of use. This includes but is not limited to adding to existing digital evidence verification, diversifying 2<sup>nd</sup> factors for our customers to use, and migrating legacy systems to a modern platform for authentication and/or authorization.

**Limitation on Administrative Expenses**

**IT MODERNIZATION**

**Description:** Our staff rely on our IT infrastructure to serve the public and safeguard our programs. However, our infrastructure needs have evolved as the demands for our data and programs have increased. Our systems were developed over 30 years ago, and the infrastructure has lagged behind newer technologies. Our IT infrastructure has grown increasingly fragile, inefficient, and costlier to maintain and secure.

We initiated our IT Modernization Plan in FY 2018 to improve our service to the public. We are advancing our IT infrastructure with 21<sup>st</sup> Century technology and implementing the technical flexibility necessary to adapt to future demands. To achieve our modernization goals, we will invest \$691 million over five years, including the \$280 million that Congress provided in FY 2018 and the \$45 million provided in FY 2019. We must devote resources to upgrading our infrastructure while at the same time maintaining our current IT services to ensure that our customers experience uninterrupted service. The President’s Budget allows us to continue making progress with our IT Modernization Plan, which funds infrastructure, communication, and service improvements.

FY 2020 Budget: \$154.9 million, a decrease of \$11.6 million from FY 2019. This level will keep us on track with our IT Modernization Plan.

**IT Modernization**

IT Budget (in Millions)	FY 2018			FY 2019			FY 2020		
	ITS	Internal Labor	Total	ITS	Internal Labor	Total	ITS	Internal Labor	Total
LAE IT Funds	\$45.1	\$41.8	\$87.0	\$29.2	\$0.0	\$29.2	\$63.9	\$22.6	\$86.5
Special Appropriation	\$44.5	\$0.0	\$44.5	\$81.1	\$56.2	\$137.3	\$41.5	\$26.8	\$68.4
Anomaly Funds	\$9.1	\$0.0	\$9.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total</b>	<b>\$98.7</b>	<b>\$41.8</b>	<b>\$140.5</b>	<b>\$110.3</b>	<b>\$56.2</b>	<b>\$166.5</b>	<b>\$105.5</b>	<b>\$49.5</b>	<b>\$154.9</b>

\*Costs shown by obligation year.

*Note: Totals may not add due to rounding.*

The goals of our IT Modernization Plan are:

- Improve service to the public through increasing online services, real-time processing, and providing a more service-centric organization, technical structure, and overall better customer experience.
- Increase the value of IT for business by increasing IT and data reliability, security, and enabling faster claim and post-entitlement decisions.

### **Limitation on Administrative Expenses**

- Improve IT workforce engagement by enabling a quicker path to fielding new capabilities, modernizing the development environment to improve productivity, and building a culture to attract new and retain our current top technology talent.
- Improve business workforce engagement by enabling better service with enhanced user-centric tools and the ability to move routine work through the systems quickly, enabling our workforce to focus more capability on the most challenging service needs.
- Reduce IT and other operating costs through expanding shared services, the cloud, and Commercial Off-The-Shelf (COTS) packages, increasing benefits available through disciplined approaches and reuse of code, and encouraging innovation to improve operational efficiency.
- Reduce risk to continuity of operations by increasing awareness of cyber threats and capacity to defend against these threats, and by replacing time-worn systems with maintainable technology.

This initiative will transform all dimensions of our IT program, including software, hardware and infrastructure, and the structure of our IT organization itself and the processes we use to procure and develop IT products. We will create a modern IT organization that is fast, accountable, competent, transparent, secure, and laser focused on understanding and meeting the needs of the public and our employees. It will involve not only modernizing our IT program, but also reengineering our business processes to improve the effectiveness and efficiency of our programs.

Our modernized systems will streamline processes in a user-friendly and intuitive way for our front-line employees. Automation will relieve employees of having to perform many of the routine tasks that today require manual entry and re-entry, thereby reducing errors. Our employees will have a complete view of a person's interactions with SSA, which will facilitate better and more consistent service. The system will facilitate completing transactions at the first point of contact by replacing overnight processing of transactions with real-time processing, where possible. If real-time processing is not feasible, we will utilize better tools to test whether all the necessary information has been provided. Doing so will reduce the need to re-contact an individual for additional information and reduce the amount of manual rework, thus providing more efficient and responsive service to the public while reducing administrative costs.

Our modernized systems will be less expensive to maintain and easier to update. IT modernization will allow us to respond more quickly and less expensively to program changes and the evolving expectations of our employees and the public. We will also be better able to integrate future technological advancements and data sharing with other agencies.

Limitation on Administrative Expenses

**Table 3.29—Total IT Modernization Plan**

Uninflated and rounded to \$ millions	FY 17	FY18	FY19	FY20	FY21	FY22	Total
<b>Business Domains (Applications)</b>	<b>\$ 33.5</b>	<b>\$ 101.3</b>	<b>\$ 109.8</b>	<b>\$ 101.5</b>	<b>\$ 86.0</b>	<b>\$ 45.7</b>	<b>\$ 477.9</b>
Communication	\$ 1.9	\$ 9.1	\$ 8.8	\$ 6.1	\$ 8.5	\$ 5.1	\$ 39.5
Title II	\$ 3.1	\$ 19.0	\$ 26.7	\$ 21.8	\$ 21.3	\$ 11.0	\$ 103.0
Disability	\$ 16.0	\$ 43.3	\$ 44.2	\$ 41.9	\$ 25.4	\$ 13.2	\$ 184.1
Title XVI	\$ 6.1	\$ 7.0	\$ 3.9	\$ 4.7	\$ 2.0	\$ 1.1	\$ 24.6
Earnings	\$ 3.1	\$ 14.0	\$ 16.0	\$ 16.5	\$ 17.2	\$ 9.4	\$ 76.2
Enumeration	\$ 3.4	\$ 8.9	\$ 10.2	\$ 10.6	\$ 11.6	\$ 5.9	\$ 50.5
<b>Data, PMO, Infrastructure</b>	<b>\$ 12.8</b>	<b>\$ 39.2</b>	<b>\$ 56.7</b>	<b>\$ 53.4</b>	<b>\$ 32.1</b>	<b>\$ 18.4</b>	<b>\$ 212.7</b>
Data	\$ 5.7	\$ 9.5	\$ 10.6	\$ 7.3	\$ 6.6	\$ 1.8	\$ 41.5
Project Management Office/ Senior Tech	\$ -	\$ 1.0	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.5	\$ 6.9
<b>Infrastructure</b>	<b>\$ 7.1</b>	<b>\$ 28.7</b>	<b>\$ 44.7</b>	<b>\$ 44.6</b>	<b>\$ 24.0</b>	<b>\$ 15.2</b>	<b>\$ 164.4</b>
<b>Total</b>	<b>\$ 46.4</b>	<b>\$ 140.5</b>	<b>\$ 166.5</b>	<b>\$ 154.9</b>	<b>\$ 118.1</b>	<b>\$ 64.2</b>	<b>\$ 690.6</b>

Note: Totals may not add due to rounding.

**Table 3.30—Dedicated IT Modernization Plan**

<b>\$280M Appropriation</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>Total</b>
Benefits	\$ -	\$ 15.3	\$ 30.6	\$ 26.5	\$ 23.3	\$ 12.1	\$ 107.8
Title II	\$ -	\$ 15.3	\$ 26.7	\$ 21.8	\$ 21.3	\$ 11.0	\$ 96.2
Title XVI	\$ -	\$ -	\$ 3.9	\$ 4.7	\$ 2.0	\$ 1.1	\$ 11.6
Disability	\$ -	\$ 15.2	\$ 44.2	\$ 41.9	\$ 25.4	\$ 13.2	\$ 139.9
Infrastructure	\$ -	\$ 13.9	\$ 17.5	\$ -	\$ -	\$ -	\$ 31.4
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 44.4</b>	<b>\$ 92.3</b>	<b>\$ 68.4</b>	<b>\$ 48.7</b>	<b>\$ 25.3</b>	<b>\$ 279.1</b>
<b>Additional \$45M</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45.0</b>
Communications	\$ -	\$ -	\$ 8.8	\$ -	\$ -	\$ -	\$ 8.8
Earnings	\$ -	\$ -	\$ 16.0	\$ -	\$ -	\$ -	\$ 16.0
Enumerations	\$ -	\$ -	\$ 10.2	\$ -	\$ -	\$ -	\$ 10.2
Data	\$ -	\$ -	\$ 8.6	\$ -	\$ -	\$ -	\$ 8.6
PMO	\$ -	\$ -	\$ 1.4	\$ -	\$ -	\$ -	\$ 1.4
<b>Total</b>	<b>\$ -</b>	<b>\$ 44.4</b>	<b>\$137.3</b>	<b>\$ 68.4</b>	<b>\$ 48.7</b>	<b>\$ 25.3</b>	<b>\$ 324.1</b>

Note: Totals may not add due to rounding.

Modernizing Core Programmatic Business Processes

Our modernization plan addresses the redesign of core programmatic business processes, the technology that underlies them, and the methods we use to develop them. The programmatic systems work under IT Modernization is divided into five major business areas, or “domains.” Each domain has specific objectives and outcomes, as well as dedicated IT and business staff to plan and complete the work. Below is an overview of these programmatic domains:

- Communications – We engage with the public through field office visits, call centers, and by mail. This domain focuses on developing a comprehensive approach to how we connect with the public, which includes developing additional communication channels, updating communication systems and infrastructure, and ensuring that our communications are clear and concise.

## Limitation on Administrative Expenses

- In FY 2019, we will expand the notice architecture and online notice delivery. New functionality includes local print capability, implementation of a data collector web service to capture common customer data elements, development of an opt out-of-print customer delivery channel preference, simplification of Title II post-entitlement notices, and enhancing business intelligence for measuring product success.
  - In FY 2020, we plan to continue expanding online notice delivery, including Title II post-entitlement and initial claims decision notices.
  - By the end of FY 2022, the Communications domain will support users' preferred channel for notice delivery, create a user-friendly interface for employees to manage correspondence, simplify notices, ensure notices are in compliance with standards and regulations, and prevent an increase in agency printing costs.
- Disability – Our existing disability systems are a collection of several, inter-related subsystems, each designed to facilitate a part of the disability determination process, from intake (in a field office or via the phone or internet) through hearings and appeals. This domain focuses on streamlining workflow and leveraging modern technology to support the full life cycle of a disability claim, in order to expedite and simplify processing, and improve service.
    - In FY 2019, we will implement base functionality for decisional hearing notices and case processing and release initial versions of the new hearings level case processing system's scheduling and fiscal functions. When the new case processing systems is fully rolled out, it will implement standard functionality across all hearing offices. We will increase the amount of electronic evidence the agency receives through our efforts with the Electronic Evidence and Analysis (EEA) initiative, which includes IMAGEN, Insight, and Duplicate Identification Process (DIP). We will leverage electronic evidence by using machine learning, predictive analytics, and other Artificial Intelligence technologies to aid disability adjudicators in decision-making and increase decisional quality by adding new automation to inline and end of line quality reviews. In addition, we will begin the integration of a COTS product to support DIP.
    - In FY 2020, we plan to expand case processing functionality for hearings in areas such as notices, scheduling, assignment, and fiscal activities while expanding support for the Office of Appellate Operations' and OHO's non-disability workload. Through EEA, we will expand the capabilities of the new tools and programs like IMAGEN and Insight to include most of the five-step sequential disability evaluation process and most of the disability adjudicative levels and operational components. DIP will be able to identify duplicate evidence in the disability electronic folder, saving time for the case preparation tasks associated with hearings.
    - By FY 2022, we will incorporate natural language processing and other tools to enhance fully developed functionality for end-to-end case processing. In addition, EEA initiatives will support the targeted disability adjudicative levels and

## Limitation on Administrative Expenses

operational components. We will also receive the majority of disability evidence electronically, with less reliance on paper-related processes like scanning. We will use advanced data analytics technologies across the entire disability domain to increase the efficiency and accuracy of disability claim processing.

- Title II and Title XVI Benefits – In FY 2019, we combined these two business areas into one “Benefits domain” to focus on an end-to-end consolidated customer experience. The Benefits domain focuses on reducing operational and maintenance costs; providing additional safe, secure, and convenient online services; increasing automation; and reducing situations that require us to re-contact an applicant to obtain additional information. We have already made strides in modernizing our Title II system. In recent years, we have also made strides in modernizing our Title XVI system by converting its database to a modern structure and replacing green screens with web-based interfaces. The Benefits domain also focuses on building on that progress by automating more actions and adding more tools to reduce improper payments. In order to accomplish our goal of an end-to-end consolidated customer experience, we plan to continue the following product efforts in FY19: Preliminary Claims System (PCS), Consolidated Claims System (CCS), Post Entitlement (PE) initiative, and the Computational Services initiative.
  - In FY 2019, we will complete the following activities within each initiative:
    - For PCS, we will implement the minimal viable product to automate the pre-interview process that technician’s use in potential claim situations to assist in determining all potential entitlements for an individual. This enhancement will reduce re-contacts and prevent missed entitlements for benefits. PCS will allow us to retain the information we collect from the individual for the duration of the protective filing period to the burden to repeat the pre-interview process. PCS will also propagate the data to subsequent benefit applications.
    - For CCS, we will establish a new database capable of expanding to account for future data needs and scenarios for the consolidated customer experience. In addition, we will continue our planning efforts to deliver a modern claims intake application that streamlines the initial claims process.
    - For PE, we will continue analysis of our current PE processes and applications to provide a streamlined PE process, allowing technicians to process cases quicker, reducing the number of exceptions, and reducing redundancy.
    - For the Computational Services initiative, we must convert decades old COBOL programs to modern software languages. We will complete the conversion for General Insured Status Utility, begin converting General Recomputation/Computation Utility for Maximum Benefit and Primary Insurance Amount Information (GRUMPI) and the General Rates Utility (GRATES).



## Limitation on Administrative Expenses

- In FY 2020, we plan to complete the following activities for each initiative:
  - For PCS, we plan to expand its usage to include additional employees and additional individual types (for example, custodial parents of minor children). We also plan to expand propagation of PCS data to downstream applications.
  - For CCS, we plan to build the initial user interface for a consolidated claims system, build software to adjudicate and access other data stores, and build the required software to accept the claims and route them to the appropriate next step(s), function or downstream processes.
  - For PE, we plan to implement the initial minimum viable product for new post entitlement process.
  - For the Computational Services initiative, we plan to complete the conversion for GRATES and GRUMPI. In addition, we will begin analysis for the conversion approach and convert Entitlement/Eligibility Utility (EE).
- Our FY 2022 goal for the Benefits domain is to create an end-to-end consolidated customer experience for claims and post entitlement actions. To accomplish this goal by FY 2022, we plan to complete the following for each product:
  - For PCS, we plan to have an initial claim entry point that provides employees the information they need to provide accurate entitlement and eligibility information to the individuals we serve. Our goal is to provide a comprehensive and consistent pre-interview process for all front-line employees. By FY 2022, we plan to incorporate existing SSA data (marriage, and other relationships) into the pre-interview process, accurately identify all potential entitlements and eligibility. In addition, it will propagate pre-interview information to all necessary downstream applications.
  - For CCS, we plan to provide a single place to work with all benefits (Retirement, Survivors, and Disability Insurance, SSI, and Medicare). Our end goal is to enable accurate, efficient, and timely claims adjudication. We plan to use and incorporate data from SSA systems, including information collected in PCS to eliminate redundant or manual data collection.
  - For PE, we plan to eliminate data redundancy among the Modernized Claim System (MCS) Pending File, Title II Shared Database, and the Master Beneficiary Record and eliminate dependency on the costly database structure (Integrated Database Management System) used for the MCS Pending File. In addition, we plan to enable automation of multiple account entitlement processing, which will further allow us to increase automation and reduce exceptions that require manual processing, to support the identification of overpayment and underpayment events for specific benefit months, and to enhance accounting and notice creation.

## Limitation on Administrative Expenses

- For the Computational Services initiative, we plan to modernize all of the existing Title II computational utilities by converting them from the COBOL systems language into services written in JAVA. We plan to implement smart, intuitive interactive computational services that can detect the need for and perform computations instantly within initial and post entitlement transactions.
- Earnings – This domain focuses on more quickly processing the millions of wage reports we receive each year and providing additional tools for employers to report and correct those reports. We will take advantage of new technologies to reduce maintenance costs, increase flexibility, and accelerate our development and deployment process.
  - In FY 2019, we will transform the employer wage reporting process by developing a prototype to engage employers for W2 submissions, continue to support the enhanced employer correspondence regarding W2 processing, streamline the SSA/IRS earnings reconciliation business process, incrementally modernize interagency data sharing services, and complete a phased retirement of legacy applications and phased implementation to the cloud.
  - In FY 2020, we plan to develop a prototype to engage employers for earnings corrections, implement enhanced employer correspondence regarding W2 processing, begin to transform SSA/IRS earnings reconciliation business process, continue to incrementally modernize interagency data sharing services, and complete a phased implementation of the wage reporting software to our cloud environment.
- Enumeration – This domain focuses on improving the methods our employees use to access, and the infrastructure behind, the Numerical Identification database or “NUMIDENT,” which is our database of Social Security numbers (SSN) we have assigned. We will modernize user interfaces, update and automate business processes, and replace out-of-date technologies with a more robust infrastructure.
  - In FY 2019, we will implement real time retrieval of enumeration history data from the cloud, develop modern, user-friendly NUMIDENT queries, continue modernization of our back end systems, and begin product discovery on a brand new, modern, guided combined application for original and replacement SSNs for use by both the public and internal SSA staff. In our Death systems, we will enhance our death matching processing rules, partner with the Department of Veterans Affairs to obtain more accurate death information, establish a new information exchange to receive death reports from the Office of Personnel Management, expand our death processing system with new capabilities and continue to post historical death data in our databases.
  - In FY 2020, we will implement our first release of our all-inclusive application for original and replacement SSNs, continue modernization of our back end systems, and continue to modernize how we access our data and programs by implementing modern application program interfaces. In our Death systems, we plan to continue centralizing all death inputs by our technicians into one death

## Limitation on Administrative Expenses

processing system, improve our processing of death data files from our data exchanges, and continue to record historical death data in our databases.

- By FY 2022, the Enumeration domain will improve technicians' access to NUMIDENT information, modernize user interfaces, update and automate business processes, and replace out-of-date technologies with a more robust infrastructure. We will further improve our death processing and reporting systems to establish an authoritative source of death data across all applications, reducing errors in payments and inconvenience to the public. We will continue to enhance death data for millions of records to ensure consistency across our records and for external entities use in detecting and preventing improper payments. Our Enumeration systems will be transformed into a web based architecture to better serve the public and improve processes for front-line employees.

### Modernizing Our Infrastructure

Our modernization plan also includes three technical domains to facilitate the programmatic systems changes described above and allow us to maintain expected levels of service. Below is an overview of these technical domains:

- Infrastructure – This domain focuses on modernizing the underlying technology and processes that enable the programmatic changes described above. This includes modernizing the methods we use to develop IT products; using cloud technologies to improve availability, flexibility and cost effectiveness; and providing multiple alternative computing platforms for each modernized system to enable the optimal platform for each situation.
- Data – This domain focuses on consolidating our data, using state-of-the-art approaches to simplify, organize and provide data and services to fully modernized systems, which can more effectively use data. Retiring legacy data sources and formats in favor of modern tools and techniques will optimize the way we store and process data, and improve data quality. Moreover, it will provide an integrated source of historical data for business intelligence and predictive analytics across the agency.
- Cybersecurity – Cybersecurity is a top priority, and securing the systems and data we need to administer our programs is foundational to our modernization efforts. This domain is focused on addressing ongoing cyber threats and ensuring that data and business processes remain secure. It involves incorporating security and privacy controls into our applications and the design of our IT environments and systems. It also involves adding security controls to address the risks inherent in our legacy applications, ensuring continuous monitoring, a comprehensive integrity review process and that employees only have access to resources appropriate for their job function.

## Limitation on Administrative Expenses

### IT BUDGET BY PORTFOLIO AND INVESTMENT

Agency IT Portfolio Summary	Total Cost			Internal Labor			Contractor Labor			IT Funds		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
<b>IT Portfolio Total</b>	\$ 1,922,706	\$ 1,964,613	\$ 1,969,308	\$ 553,401	\$ 583,054	\$ 588,554	\$ 372,870	\$ 236,039	\$ 214,318	\$ 996,435	\$ 1,145,520	\$ 1,166,436
<b>Part 1. IT Investments for Mission Delivery</b>	\$ 388,306	\$ 366,422	\$ 335,874	\$ 176,102	\$ 193,138	\$ 182,288	\$ 169,522	\$ 125,649	\$ 102,762	\$ 42,681	\$ 47,635	\$ 50,824
<b>IT Modernization</b>	\$ 140,544	\$ 166,547	\$ 154,913	\$ 41,847	\$ 56,230	\$ 49,456	\$ 76,581	\$ 87,974	\$ 78,357	\$ 22,116	\$ 22,343	\$ 27,100
IT Modernization*	\$ 140,544	\$ 166,547	\$ 154,913	\$ 41,847	\$ 56,230	\$ 49,456	\$ 76,581	\$ 87,974	\$ 78,357	\$ 22,116	\$ 22,343	\$ 27,100
<b>Agency Programmatic Applications</b>	\$ 247,762	\$ 199,875	\$ 180,961	\$ 134,255	\$ 136,908	\$ 132,832	\$ 92,941	\$ 37,675	\$ 24,405	\$ 20,565	\$ 25,292	\$ 23,724
<b>Anti-Fraud Investments</b>	\$ 13,342	\$ 12,723	\$ 14,591	\$ 6,177	\$ 5,441	\$ 5,408	\$ 1,917	\$ 245	\$ 252	\$ 5,247	\$ 7,037	\$ 8,932
Anti-Fraud Support Systems	\$ 5,470	\$ 6,981	\$ 7,101	\$ 5,011	\$ 4,425	\$ 4,540	\$ 459	\$ 203	\$ 209	\$ -	\$ 2,352	\$ 2,352
Anti-Fraud Enterprise Solution*	\$ 7,872	\$ 5,743	\$ 7,490	\$ 1,167	\$ 1,016	\$ 868	\$ 1,458	\$ 42	\$ 43	\$ 5,247	\$ 4,685	\$ 6,580
<b>Data Exchange</b>	\$ 9,631	\$ 9,076	\$ 11,228	\$ 4,565	\$ 8,765	\$ 10,908	\$ 5,066	\$ 311	\$ 320	\$ -	\$ -	\$ -
Arrival and Departure Information System (ADIS)	\$ 973	\$ 2,166	\$ 2,596	\$ -	\$ 2,166	\$ 2,596	\$ 973	\$ -	\$ -	\$ -	\$ -	\$ -
Data Exchange Support Systems	\$ 4,983	\$ 4,786	\$ 4,918	\$ 4,565	\$ 4,475	\$ 4,599	\$ 418	\$ 311	\$ 320	\$ -	\$ -	\$ -
Data Exchange Product	\$ 3,675	\$ 2,124	\$ 3,714	\$ -	\$ 2,124	\$ 3,714	\$ 3,675	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Disability Claim Processing</b>	\$ 82,948	\$ 65,495	\$ 43,643	\$ 34,226	\$ 31,134	\$ 27,258	\$ 41,369	\$ 22,546	\$ 7,534	\$ 7,353	\$ 11,815	\$ 8,851
BBA Section 823 – Promoting Opportunity Demo	\$ 1,363	\$ 801	\$ -	\$ 1,262	\$ 801	\$ -	\$ 102	\$ -	\$ -	\$ -	\$ -	\$ -
DDS Automation	\$ 8,620	\$ 12,381	\$ 10,068	\$ 1,802	\$ 1,805	\$ 1,969	\$ 1,503	\$ 956	\$ 983	\$ 5,315	\$ 9,620	\$ 7,117
Disability Case Processing System*	\$ 38,906	\$ 27,947	\$ 9,918	\$ 8,566	\$ 8,702	\$ 5,945	\$ 30,310	\$ 19,215	\$ 3,973	\$ 30	\$ 30	\$ -
Disability Claim Processing Applications	\$ 25,882	\$ 18,283	\$ 22,055	\$ 15,454	\$ 13,743	\$ 17,743	\$ 8,434	\$ 2,375	\$ 2,578	\$ 1,995	\$ 2,165	\$ 1,734
Disability Quality Review (DQR)	\$ 1,947	\$ 2,462	\$ 641	\$ 1,785	\$ 2,462	\$ 641	\$ 148	\$ -	\$ -	\$ 13	\$ -	\$ -
Unprocessed Medical Cessations – Enhancements	\$ 6,230	\$ 3,622	\$ 961	\$ 5,357	\$ 3,622	\$ 961	\$ 873	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Earnings</b>	\$ 11,109	\$ 9,202	\$ 9,484	\$ 7,678	\$ 7,164	\$ 7,390	\$ 3,431	\$ 2,038	\$ 2,094	\$ -	\$ -	\$ -
Earnings Support Systems	\$ 11,109	\$ 9,202	\$ 9,484	\$ 7,678	\$ 7,164	\$ 7,390	\$ 3,431	\$ 2,038	\$ 2,094	\$ -	\$ -	\$ -
<b>Electronic Services Investments</b>	\$ 53,389	\$ 41,175	\$ 38,354	\$ 26,302	\$ 31,589	\$ 27,849	\$ 19,572	\$ 3,326	\$ 4,745	\$ 7,515	\$ 6,260	\$ 5,761
Customer Engagement Tools*	\$ 8,018	\$ 3,606	\$ 3,235	\$ 3,770	\$ 3,606	\$ 3,235	\$ 4,248	\$ -	\$ -	\$ -	\$ -	\$ -
Electronic Services	\$ 30,299	\$ 19,731	\$ 21,822	\$ 15,576	\$ 12,433	\$ 12,824	\$ 7,208	\$ 3,037	\$ 4,448	\$ 7,515	\$ 4,261	\$ 4,550
My Social/Security Services*	\$ 9,140	\$ 6,329	\$ 6,201	\$ 4,437	\$ 6,329	\$ 6,201	\$ 4,703	\$ -	\$ -	\$ -	\$ -	\$ -
Rep Payee Support Systems	\$ 3,014	\$ 1,356	\$ 1,465	\$ 2,519	\$ 1,067	\$ 1,167	\$ 494	\$ 289	\$ 297	\$ -	\$ -	\$ -
Representative Payee Legislation*	\$ 2,918	\$ 10,154	\$ 5,632	\$ -	\$ 8,155	\$ 4,421	\$ 2,918	\$ -	\$ -	\$ -	\$ 1,999	\$ 1,210
<b>Enumeration</b>	\$ 4,266	\$ 4,069	\$ 4,191	\$ 2,573	\$ 2,838	\$ 2,926	\$ 1,692	\$ 1,231	\$ 1,265	\$ -	\$ -	\$ -
Enumerations Support Systems	\$ 4,266	\$ 4,069	\$ 4,191	\$ 2,573	\$ 2,838	\$ 2,926	\$ 1,692	\$ 1,231	\$ 1,265	\$ -	\$ -	\$ -
<b>Medical Evidence Processing Investments</b>	\$ 5,244	\$ 3,564	\$ 3,300	\$ 3,103	\$ 3,384	\$ 3,120	\$ 1,690	\$ -	\$ -	\$ 450	\$ 180	\$ 180
Health Information Tech (HIT)	\$ 4,016	\$ 2,237	\$ 1,929	\$ 2,322	\$ 2,057	\$ 1,749	\$ 1,244	\$ -	\$ -	\$ 450	\$ 180	\$ 180
ERE for Experts	\$ 1,227	\$ 1,328	\$ 1,371	\$ 781	\$ 1,328	\$ 1,371	\$ 446	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Notice Improvement</b>	\$ 6,456	\$ 4,958	\$ 5,098	\$ 5,509	\$ 4,306	\$ 4,428	\$ 948	\$ 652	\$ 669	\$ -	\$ -	\$ -
Notice Improvements	\$ 6,456	\$ 4,958	\$ 5,098	\$ 5,509	\$ 4,306	\$ 4,428	\$ 948	\$ 652	\$ 669	\$ -	\$ -	\$ -
<b>Payment Accuracy Investments</b>	\$ 12,250	\$ 11,140	\$ 11,420	\$ 6,422	\$ 10,902	\$ 11,176	\$ 5,828	\$ 237	\$ 244	\$ -	\$ -	\$ -
Debt Management Product*	\$ 5,503	\$ 4,834	\$ 4,941	\$ -	\$ 4,834	\$ 4,941	\$ 5,503	\$ -	\$ -	\$ -	\$ -	\$ -
Payment Accuracy Support Systems	\$ 6,747	\$ 6,306	\$ 6,479	\$ 6,422	\$ 6,069	\$ 6,235	\$ 325	\$ 237	\$ 244	\$ -	\$ -	\$ -

\*Designates Major IT Investment

\*\*Designates TBM-Aligned Standard Investment

Note: Totals may not add due to rounding.

Limitation on Administrative Expenses

IT BUDGET BY PORTFOLIO AND INVESTMENT

Agency IT Portfolio Summary	Total Cost			Internal Labor			Contractor Labor			IT Funds		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
<b>Title II Processing</b>	\$ 29,530	\$ 25,979	\$ 26,777	\$ 21,358	\$ 20,848	\$ 21,506	\$ 8,172	\$ 5,130	\$ 5,271	\$ -	\$ -	\$ -
PC Automation	\$ 2,511	\$ 1,516	\$ 1,565	\$ 2,502	\$ 1,516	\$ 1,565	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -
Title II Processing Support Systems	\$ 27,019	\$ 24,463	\$ 25,212	\$ 18,856	\$ 19,333	\$ 19,942	\$ 8,163	\$ 5,130	\$ 5,271	\$ -	\$ -	\$ -
<b>Title XVI Processing</b>	\$ 14,834	\$ 12,494	\$ 12,875	\$ 11,578	\$ 10,536	\$ 10,862	\$ 3,256	\$ 1,958	\$ 2,012	\$ -	\$ -	\$ -
Title XVI Processing Support Systems	\$ 14,834	\$ 12,494	\$ 12,875	\$ 11,578	\$ 10,536	\$ 10,862	\$ 3,256	\$ 1,958	\$ 2,012	\$ -	\$ -	\$ -
<b>Retired Investments</b>	\$ 4,763	\$ -	\$ -	\$ 4,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OAO iAppeals: Non-Medical	\$ 1,491	\$ -	\$ -	\$ 1,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overpayment Redesign	\$ 1,726	\$ -	\$ -	\$ 1,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paperless Enhancements	\$ 1,535	\$ -	\$ -	\$ 1,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remittance Modernization for Programmatic Debt Collection	\$ 10	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Part 2. Administrative and Support Systems</b>	\$ 86,922	\$ 78,758	\$ 91,459	\$ 33,164	\$ 40,217	\$ 39,073	\$ 30,281	\$ 5,484	\$ 6,157	\$ 23,477	\$ 33,058	\$ 46,229
<b>Agency Administrative Applications</b>	\$ 86,922	\$ 78,758	\$ 91,459	\$ 33,164	\$ 40,217	\$ 39,073	\$ 30,281	\$ 5,484	\$ 6,157	\$ 23,477	\$ 33,058	\$ 46,229
<b>Business Intelligence-Data Analytics</b>	\$ 31,681	\$ 23,491	\$ 24,031	\$ 13,937	\$ 18,135	\$ 18,608	\$ 13,385	\$ 976	\$ 1,084	\$ 4,358	\$ 4,380	\$ 4,338
Business Intelligence - Data Analytics	\$ 31,681	\$ 23,491	\$ 24,031	\$ 13,937	\$ 18,135	\$ 18,608	\$ 13,385	\$ 976	\$ 1,084	\$ 4,358	\$ 4,380	\$ 4,338
<b>Financial Systems</b>	\$ 29,783	\$ 22,592	\$ 24,442	\$ 7,582	\$ 6,748	\$ 6,790	\$ 10,069	\$ 2,807	\$ 3,290	\$ 12,131	\$ 13,037	\$ 14,362
Financial Management Systems	\$ 29,783	\$ 22,592	\$ 24,442	\$ 7,582	\$ 6,748	\$ 6,790	\$ 10,069	\$ 2,807	\$ 3,290	\$ 12,131	\$ 13,037	\$ 14,362
<b>Human Resources Investments</b>	\$ 13,915	\$ 13,381	\$ 12,985	\$ 8,134	\$ 8,021	\$ 7,858	\$ 2,545	\$ 601	\$ 652	\$ 3,236	\$ 4,759	\$ 4,475
Human Resources Support Systems	\$ 12,567	\$ 13,034	\$ 12,985	\$ 7,216	\$ 7,675	\$ 7,858	\$ 2,114	\$ 601	\$ 652	\$ 3,236	\$ 4,759	\$ 4,475
Human Resources Services Portal	\$ 1,348	\$ 346	\$ -	\$ 917	\$ 346	\$ -	\$ 430	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Legal/Public Disclosure Processing</b>	\$ 4,458	\$ 9,774	\$ 22,681	\$ 1,541	\$ 4,168	\$ 2,572	\$ 2,917	\$ 106	\$ 108	\$ -	\$ 5,500	\$ 20,000
eDiscovery	\$ 1,019	\$ 326	\$ 337	\$ 302	\$ 326	\$ 337	\$ 718	\$ -	\$ -	\$ -	\$ -	\$ -
LAWS - Critical Needs	\$ 1,598	\$ 1,658	\$ -	\$ 1,240	\$ 1,658	\$ -	\$ 359	\$ -	\$ -	\$ -	\$ -	\$ -
Electronic Records Management Product	\$ -	\$ 7,790	\$ 22,344	\$ -	\$ 2,184	\$ 2,236	\$ 1,840	\$ 106	\$ 108	\$ -	\$ 5,500	\$ 20,000
<b>Reimbursable Services</b>	\$ 4,479	\$ 6,785	\$ 4,430	\$ 1,969	\$ 3,144	\$ 3,246	\$ 1,366	\$ 994	\$ 1,021	\$ 1,144	\$ 2,646	\$ 163
<b>E-Government Initiatives</b>	\$ 2,607	\$ 2,736	\$ 2,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,607	\$ 2,736	\$ 2,890
Budget Formulation and Execution LoB	\$ 55	\$ 55	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ 55	\$ 55
Federal Health Architecture LoB	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 100
Disaster Assistance Improvement Plan	\$ 56	\$ 56	\$ 56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56	\$ 56	\$ 56
E-Rulemaking	\$ 30	\$ 30	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ 30	\$ 30
Federal PKI Bridge	\$ 173	\$ 486	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173	\$ 486	\$ 500
Financial Management LoB	\$ 67	\$ 67	\$ 67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67	\$ 67	\$ 67
Geospatial LoB	\$ 25	\$ 25	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25	\$ 25	\$ 25
GovBenefits.gov	\$ 324	\$ 415	\$ 415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324	\$ 415	\$ 415
Grants.gov	\$ 30	\$ 26	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ 26	\$ 26
Integrated Award Envt	\$ 874	\$ 944	\$ 950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 874	\$ 944	\$ 950
USA Jobs	\$ 450	\$ 447	\$ 476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ 447	\$ 476
FOIA Online	\$ 285	\$ 47	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285	\$ 47	\$ 50
Human Resources LoB	\$ 137	\$ 137	\$ 140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137	\$ 137	\$ 140

\*Designates Major IT Investment

\*\*Designates TBM-Aligned Standard Investment

Note: Totals may not add due to rounding.

**Limitation on Administrative Expenses**

**IT BUDGET BY PORTFOLIO AND INVESTMENT**

Agency IT Portfolio Summary	Total Cost			Internal Labor			Contractor Labor			IT Funds		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
<b>Part 3. Infrastructure, Cybersecurity &amp; IT Management</b>	<b>\$ 1,447,479</b>	<b>\$ 1,519,433</b>	<b>\$ 1,541,976</b>	<b>\$ 344,134</b>	<b>\$ 349,699</b>	<b>\$ 367,193</b>	<b>\$ 173,067</b>	<b>\$ 104,906</b>	<b>\$ 105,399</b>	<b>\$ 930,278</b>	<b>\$ 1,064,828</b>	<b>\$ 1,069,384</b>
<b>Infrastructure</b>	<b>\$ 1,174,051</b>	<b>\$ 1,221,133</b>	<b>\$ 1,257,135</b>	<b>\$ 191,036</b>	<b>\$ 191,046</b>	<b>\$ 201,365</b>	<b>\$ 114,862</b>	<b>\$ 69,752</b>	<b>\$ 71,663</b>	<b>\$ 868,153</b>	<b>\$ 960,334</b>	<b>\$ 984,107</b>
Application**	\$ 111,666	\$ 77,059	\$ 78,836	\$ 56,527	\$ 44,165	\$ 45,484	\$ 53,834	\$ 29,878	\$ 30,696	\$ 1,305	\$ 3,016	\$ 2,655
Data Center and Cloud**	\$ 481,614	\$ 450,200	\$ 475,587	\$ 36,249	\$ 36,828	\$ 39,168	\$ 24,283	\$ 14,896	\$ 15,305	\$ 421,082	\$ 398,475	\$ 421,115
End User**	\$ 205,489	\$ 202,360	\$ 201,469	\$ 79,693	\$ 83,532	\$ 87,094	\$ 12,664	\$ 8,609	\$ 8,845	\$ 113,132	\$ 110,219	\$ 105,530
Network**	\$ 367,108	\$ 477,960	\$ 486,224	\$ 18,568	\$ 19,608	\$ 21,393	\$ 15,906	\$ 10,811	\$ 11,108	\$ 332,634	\$ 447,540	\$ 453,723
Platform**	\$ 8,175	\$ 13,553	\$ 15,018	\$ -	\$ 6,912	\$ 8,225	\$ 8,175	\$ 5,558	\$ 5,710	\$ -	\$ 1,084	\$ 1,084
<b>IT Governance and Support</b>	<b>\$ 159,488</b>	<b>\$ 138,801</b>	<b>\$ 146,237</b>	<b>\$ 118,048</b>	<b>\$ 122,065</b>	<b>\$ 128,685</b>	<b>\$ 32,110</b>	<b>\$ 9,160</b>	<b>\$ 9,411</b>	<b>\$ 9,330</b>	<b>\$ 7,575</b>	<b>\$ 8,141</b>
Delivery**	\$ 14,407	\$ 6,997	\$ 8,874	\$ -	\$ 4,910	\$ 6,757	\$ 14,407	\$ 704	\$ 723	\$ -	\$ 1,383	\$ 1,394
IT Management**	\$ 145,081	\$ 131,804	\$ 137,364	\$ 118,048	\$ 117,155	\$ 121,928	\$ 17,703	\$ 8,456	\$ 8,688	\$ 9,330	\$ 6,192	\$ 6,747
<b>IT Security &amp; Compliance</b>	<b>\$ 113,939</b>	<b>\$ 159,500</b>	<b>\$ 138,603</b>	<b>\$ 35,050</b>	<b>\$ 36,588</b>	<b>\$ 37,143</b>	<b>\$ 26,095</b>	<b>\$ 25,993</b>	<b>\$ 24,324</b>	<b>\$ 52,795</b>	<b>\$ 96,919</b>	<b>\$ 77,136</b>

*\*Designates Major IT Investment*

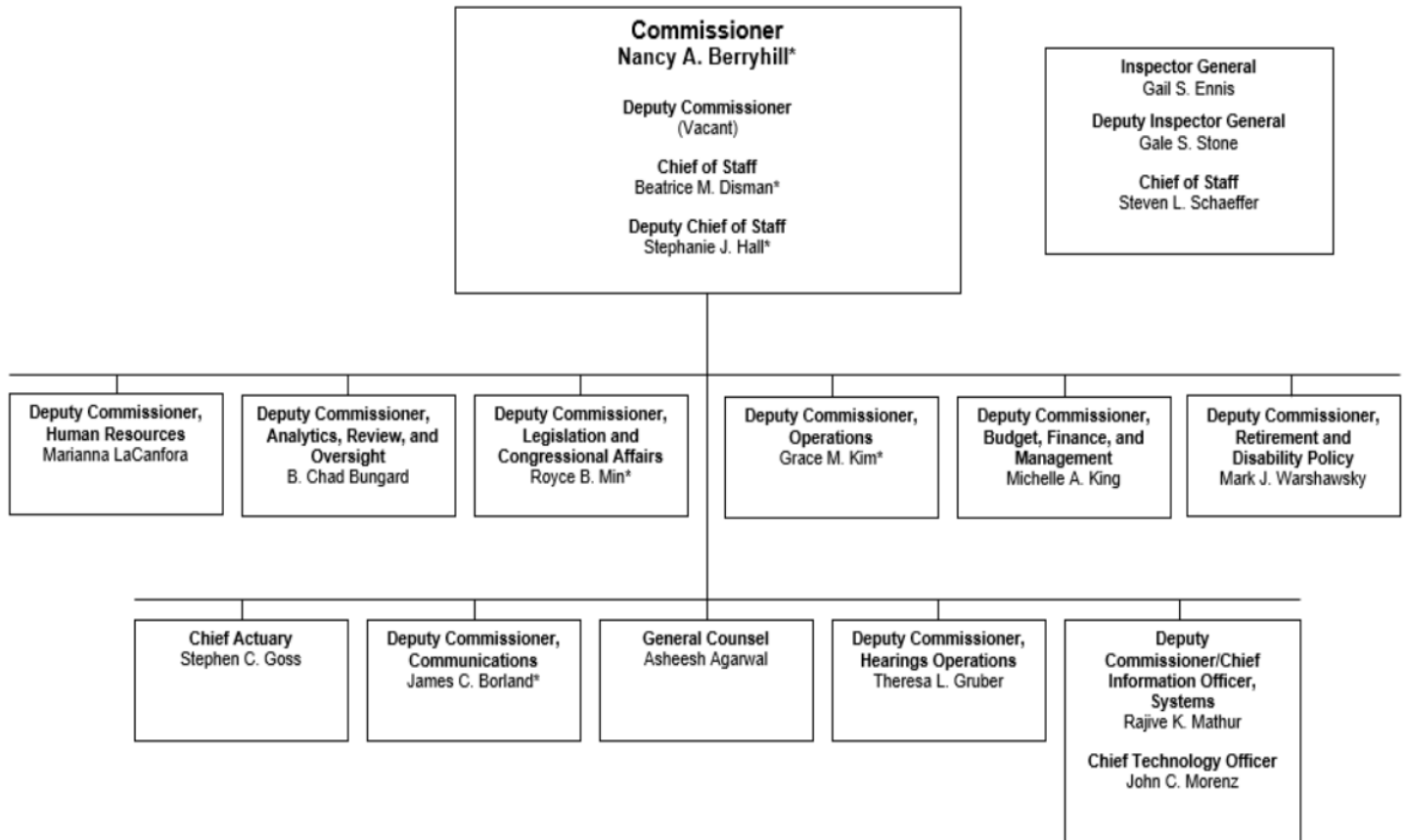
*\*\*Designates TBM-Aligned Standard Investment*

*Note: Totals may not add due to rounding.*

This is a snapshot of our major portfolio investments. Please visit our IT Dashboard at <https://www.itdashboard.gov/drupal/summary/016>.

SSA ORGANIZATIONAL CHART

Table 3.31—SSA Organizational Chart



For the full agency organization chart, please visit <https://www.ssa.gov/org/ssachart.pdf>

\*Acting

EMPLOYMENT

The following tables satisfy SSA’s requirement directed by the House Report.

**Table 3.32—FY 2018 Personnel Costs by Grade**

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS - 1	1	\$12,700	\$3,100	\$15,800
GS - 2	2	\$58,400	\$22,700	\$81,100
GS - 3	17	\$539,400	\$173,900	\$713,300
GS - 4	159	\$5,858,500	\$2,041,700	\$7,900,200
GS - 5	1,874	\$72,478,800	\$25,103,200	\$97,582,000
GS - 6	1,542	\$66,638,700	\$23,560,200	\$90,198,900
GS - 7	2,811	\$132,257,900	\$45,719,000	\$177,976,900
GS - 8	8,808	\$486,638,400	\$176,807,500	\$663,445,900
GS - 9	5,938	\$363,300,400	\$123,368,100	\$486,668,500
GS - 10	427	\$29,819,400	\$9,457,300	\$39,276,700
GS - 11	16,517	\$1,223,278,500	\$422,766,400	\$1,646,044,900
GS - 12	13,078	\$1,172,847,500	\$381,578,200	\$1,554,425,700
GS - 13	7,167	\$792,347,700	\$252,322,100	\$1,044,669,800
GS - 14	2,922	\$384,692,300	\$118,028,800	\$502,721,100
GS - 15	738	\$116,066,100	\$34,111,600	\$150,177,700
<b>Subtotal GS Grades<sup>1</sup></b>	<b>61,999</b>	<b>\$4,846,834,700</b>	<b>\$1,615,063,800</b>	<b>\$6,461,898,500</b>
<b>Administrative Law Judge (ALJ)</b>	1,662	\$274,538,000	\$80,777,500	<b>\$355,315,500</b>
<b>Senior Executive Service (SES)</b>	148	\$28,352,000	\$7,130,100	<b>\$35,482,100</b>
<b>Grand Total<sup>2,3</sup></b>	<b>63,808</b>	<b>\$5,149,724,700</b>	<b>\$1,702,971,400</b>	<b>\$6,852,696,100</b>

**Table 3.33—FY 2019 Estimated Personnel Costs by Grade**

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS - 1	1	\$13,096	\$3,343	\$16,440
GS - 2	2	\$60,223	\$24,482	\$84,705
GS - 3	17	\$556,238	\$187,551	\$743,789
GS - 4	162	\$6,041,382	\$2,201,966	\$8,243,348
GS - 5	1,914	\$74,741,334	\$27,073,715	\$101,815,049

<sup>1</sup> Includes \$12,890,300 for Reemployed Annuitant (RA) Personnel Costs.

<sup>2</sup> Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.

<sup>3</sup> Data includes OIG, Delegations, and Advisory Board.



**Limitation on Administrative Expenses**

<b>General Schedule (GS) Grade</b>	<b>FTEs and OT Workyears</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
GS - 6	1,576	\$68,718,926	\$25,409,595	\$94,128,521
GS - 7	2,872	\$136,386,527	\$49,307,784	\$185,694,312
GS - 8	8,998	\$501,829,543	\$190,686,173	\$692,515,716
GS - 9	6,067	\$374,641,363	\$133,052,072	\$507,693,435
GS - 10	436	\$30,750,257	\$10,199,666	\$40,949,923
GS - 11	16,875	\$1,276,464,858	\$460,952,001	\$1,737,416,859
GS - 12	13,361	\$1,209,459,682	\$411,530,669	\$1,620,990,351
GS - 13	7,167	\$817,082,014	\$272,128,517	\$1,089,210,531
GS - 14	2,922	\$396,701,043	\$127,293,655	\$523,994,698
GS - 15	738	\$119,689,276	\$36,789,243	\$156,478,520
<b>Subtotal GS Grades<sup>1</sup></b>	<b>63,106</b>	<b>\$5,013,135,763</b>	<b>\$1,746,840,431</b>	<b>\$6,759,976,194</b>
<b>Administrative Law Judge (ALJ)</b>	1,520	\$268,108,113	\$82,118,256	<b>\$350,226,369</b>
<b>Senior Executive Service (SES)</b>	148	\$29,237,050	\$7,689,788	<b>\$36,926,838</b>
<b>Grand Total<sup>2,3</sup></b>	<b>64,774</b>	<b>\$5,310,480,926</b>	<b>\$1,836,648,475</b>	<b>\$7,147,129,401</b>

**Table 3.34—FY 2020 Estimated Personnel Costs by Grade<sup>4</sup>**

<b>General Schedule (GS) Grade</b>	<b>FTEs and OT Workyears</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
GS - 1	0	\$13,762	\$3,598	\$17,360
GS - 2	2	\$63,282	\$26,348	\$89,630
GS - 3	17	\$584,487	\$201,849	\$786,336
GS - 4	158	\$6,348,197	\$2,369,835	\$8,718,032
GS - 5	1,860	\$78,537,119	\$29,137,704	\$107,674,822
GS - 6	1,531	\$72,208,860	\$27,346,718	\$99,555,577
GS - 7	2,791	\$143,313,002	\$53,066,807	\$196,379,809
GS - 8	8,744	\$527,315,268	\$205,223,302	\$732,538,570
GS - 9	5,895	\$393,667,758	\$143,195,414	\$536,863,172
GS - 10	423	\$32,311,928	\$10,977,246	\$43,289,174
GS - 11	16,398	\$1,365,529,135	\$500,711,906	\$1,866,241,040
GS - 12	12,984	\$1,270,882,844	\$442,904,074	\$1,713,786,918
GS - 13	7,115	\$858,578,032	\$292,874,476	\$1,151,452,508
GS - 14	2,901	\$416,847,752	\$136,998,000	\$553,845,752

<sup>1</sup> Includes \$12,890,300 for Reemployed Annuitant (RA) Personnel Costs.

<sup>2</sup> Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.

<sup>3</sup> Data includes OIG, Delegations, and Advisory Board.

<sup>4</sup> Includes increase of FERS Employer Contribution per OMB A-11 June 2018 effective October 2019.

**Limitation on Administrative Expenses**

<b>General Schedule (GS) Grade</b>	<b>FTEs and OT Workyears</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
GS - 15	732	\$125,767,771	\$39,593,904	\$165,361,674
<b>Subtotal GS Grades<sup>1</sup></b>	<b>61,552</b>	<b>5,291,969,194</b>	<b>1,884,631,180</b>	<b>\$7,176,600,375</b>
<b>Administrative Law Judge (ALJ)</b>	1,380	257,485,934	83,759,793	<b>\$341,245,728</b>
<b>Senior Executive Service (SES)</b>	148	30,721,872	8,276,026	<b>\$38,997,898</b>
<b>Grand Total<sup>2,3</sup></b>	<b>63,080</b>	<b>\$5,580,177,000</b>	<b>\$1,976,667,000</b>	<b>\$7,556,844,000</b>

**Table 3.35—Historical Staff-On-Duty by Major SSA Component<sup>4</sup>**

	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>
Field Offices	28,060	28,221
Teleservice Centers	4,373	4,513
Program Service Centers/Office of Central Operations	9,881	9,658
Regional Offices	1,372	1,365
<b>Operations Subtotal</b>	<b>43,686</b>	<b>43,757</b>
Office of Hearings Operations <sup>5,6</sup>	10,551	9,787
Systems	3,162	3,118
Office of Analytics, Review, and Oversight <sup>7</sup>	N/A	2,098
Headquarters <sup>8</sup>	4,754	3,547
<b>SSA Total</b>	<b>62,153</b>	<b>62,307</b>

**Table 3.36—FY 2018 Personnel Costs by Region<sup>9,10</sup>**

<b>Regions</b>	<b>FTEs and OT Workyears</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
<b>Boston</b>	1,931	\$166,787,700	\$55,465,200	\$222,252,900
<b>New York</b>	5,057	\$416,590,600	\$130,416,600	\$547,007,200
<b>Philadelphia</b>	7,005	\$495,776,100	\$165,340,500	\$661,116,600

<sup>1</sup> Includes \$12,890,300 for Reemployed Annuitant (RA) Personnel Costs.

<sup>2</sup> Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.

<sup>3</sup> Data includes OIG, Delegations, and Advisory Board.

<sup>4</sup> Includes full time, part time, and temporary employees.

<sup>5</sup> Office of Disability Adjudication and Review renamed Office of Hearings Operations effective FY 2018.

<sup>6</sup> In FY 2017, the Office of Hearings Operations line includes 1,000 employees in the Office of Appellate Operations who transferred to the Office of Analytics, Review, and Oversight in FY 2018.

<sup>7</sup> Office of Analytics, Review, and Oversight established in FY 2018.

<sup>8</sup> Headquarters includes counts for Operations Support Staff, Disability Case Processing System, GSA Delegations, and the Social Security Advisory Board.

<sup>9</sup> Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.

<sup>10</sup> Data includes OIG, Delegations, and Advisory Board.

**Limitation on Administrative Expenses**

<b>Regions</b>	<b>FTEs and OT Workyears</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
<b>Atlanta</b>	9,004	\$639,111,100	\$224,068,300	\$863,179,400
<b>Chicago</b>	7,634	\$600,446,600	\$200,704,200	\$801,150,800
<b>Dallas</b>	4,886	\$360,219,700	\$127,894,800	\$488,114,500
<b>Kansas City</b>	2,886	\$205,730,900	\$70,937,000	\$276,667,900
<b>Denver</b>	1,187	\$97,975,100	\$33,488,800	\$131,463,900
<b>San Francisco</b>	7,406	\$596,975,000	\$195,712,300	\$792,687,300
<b>Seattle</b>	2,047	\$158,528,200	\$53,598,800	\$212,127,000
<b>Headquarters<sup>1</sup></b>	14,764	\$1,411,583,700	\$445,344,900	\$1,856,928,600
<b>Total</b>	<b>63,808</b>	<b>\$5,149,724,700</b>	<b>\$1,702,971,400</b>	<b>\$6,852,696,100</b>

**Table 3.37—FY 2019 Estimated Personnel Costs by Region<sup>2,3</sup>**

<b>Regions</b>	<b>FTEs and OT Workyears</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
<b>Boston</b>	1,960	\$171,994,200	\$59,819,000	\$231,813,200
<b>New York</b>	5,133	\$429,595,100	\$140,653,800	\$570,248,900
<b>Philadelphia</b>	7,111	\$511,252,500	\$178,319,100	\$689,571,600
<b>Atlanta</b>	9,140	\$659,061,900	\$241,656,800	\$900,718,700
<b>Chicago</b>	7,750	\$619,190,400	\$216,458,800	\$835,649,200
<b>Dallas</b>	4,960	\$371,464,500	\$137,934,100	\$509,398,600
<b>Kansas City</b>	2,929	\$212,153,100	\$76,505,300	\$288,658,400
<b>Denver</b>	1,205	\$101,033,500	\$36,117,500	\$137,151,100
<b>San Francisco</b>	7,519	\$615,610,400	\$211,075,000	\$826,685,400
<b>Seattle</b>	2,078	\$163,476,900	\$57,806,100	\$221,283,000
<b>Headquarters<sup>4</sup></b>	14,988	\$1,455,648,400	\$480,302,900	\$1,935,951,300
<b>Total</b>	<b>64,774</b>	<b>\$5,310,480,900</b>	<b>\$1,836,648,500</b>	<b>\$7,147,129,400</b>

<sup>1</sup> The Headquarters category includes frontline workload staff located at the Wabash and Security West buildings in Baltimore.

<sup>2</sup> Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.

<sup>3</sup> Data includes OIG, Delegations, and Advisory Board.

<sup>4</sup> The Headquarters category includes frontline workload staff located at the Wabash and Security West buildings in Baltimore.

Limitation on Administrative Expenses

**Table 3.38—FY 2020 Estimated Personnel Costs by Region<sup>1,2</sup>**

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
<b>Boston</b>	1,909	\$180,729,100	\$64,379,400	\$245,108,400
<b>New York</b>	4,999	\$451,412,300	\$151,376,700	\$602,789,000
<b>Philadelphia</b>	6,925	\$537,216,700	\$191,913,400	\$729,130,200
<b>Atlanta</b>	8,901	\$692,532,700	\$260,079,800	\$952,612,500
<b>Chicago</b>	7,547	\$650,636,400	\$232,960,700	\$883,597,100
<b>Dallas</b>	4,830	\$390,329,500	\$148,449,600	\$538,779,100
<b>Kansas City</b>	2,853	\$222,927,400	\$82,337,700	\$305,265,200
<b>Denver</b>	1,174	\$106,164,600	\$38,871,000	\$145,035,600
<b>San Francisco</b>	7,322	\$646,874,600	\$227,166,500	\$874,041,100
<b>Seattle</b>	2,024	\$171,779,200	\$62,213,000	\$233,992,200
<b>Headquarters<sup>3</sup></b>	14,596	\$1,529,574,400	\$516,919,200	\$2,046,493,600
<b>Total</b>	<b>63,080</b>	<b>\$5,580,177,000</b>	<b>\$1,976,667,000</b>	<b>\$7,556,844,000</b>

**PHYSICIANS' COMPARABILITY ALLOWANCE**

**Table 3.39—Physicians' Comparability Allowance (PCA) Worksheet**

- 1) Department and component:

Social Security Administration
--------------------------------

- 2) Explain the recruitment and retention problem(s) justifying the need for the PCA pay authority.

<p><i>(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)</i></p> <p>SSA has had no medical officer (MO) accessions in FY 2018.</p> <p>We continue 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.</p> <p>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 GS 15/step 10.</p>
--

<sup>1</sup> Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.

<sup>2</sup> Data includes OIG, Delegations, and Advisory Board.

<sup>3</sup> The Headquarters category includes frontline workload staff located at the Wabash and Security West buildings in Baltimore.

**Limitation on Administrative Expenses**

As we compete for MO services with other government agencies, PCAs continue to be important to our MOs and are a key factor in our ability to retain our current MO and recruit new ones. If we do not retain the PCA, we could lose our MO to other agencies where PCAs are offered.

3-4) Please complete the table below with details of the PCA agreement for the following years:

	<b>PY 2018 (Actual)</b>	<b>CY 2019 (Estimates)</b>	<b>BY* 2020 (Estimates)</b>
3a) Number of Physicians Receiving PCAs	1	1 (renewal)	1
3b) Number of Physicians with One-Year PCA Agreements	0	0	0
3c) Number of Physicians with Multi-Year PCA Agreements	1	1	1
4a) Average Annual PCA Physician Pay (without PCA payment)	164,200	164,200	164,200
4b) Average Annual PCA Payment	30,000	30,000	30,000

\*BY data will be approved during the BY Budget cycle. Please ensure each column is completed.

5) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

*(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)*  
 SSA was able to retain its medical officer by continuing to offer PCA.

6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

--

**MAXIMUM PHYSICIANS' COMPARABILITY ALLOWANCES**

**Table 3.40—Maximum Physicians' 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 3.41—Maximum Physicians' 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 Policy.

**MAJOR BUILDING RENOVATIONS AND REPAIR COSTS**

We have maintained a record of accomplishment in real property efficiency. Our major building costs are associated with our efforts to optimize space at our headquarters campus and regional facilities.

This exhibit describes our on-going major building renovations, repairs, and other associated costs in support of our space optimization goals.

**Headquarters Campus (Woodlawn, MD)**

Our main campus is located in Woodlawn, Maryland and consists of 9 General Services Administration (GSA)-owned, SSA occupied buildings on approximately 280 acres. Currently, over 6,000 employees work on the main campus, which does not include the outlying leased buildings in the Woodlawn area.

We are actively pursuing opportunities at our main campus to optimize our real estate footprint by reconfiguring and consolidating space for improved space utilization. Our plan is to create a flexible, secure, sustainable campus environment for the agency with reduced reliance on leased facilities in the Woodlawn area. This plan is also consistent with Government-wide Reduce the Footprint mandates.

## Limitation on Administrative Expenses

The following paragraphs outline our major headquarters projects and their associated cost.

Building	FY 2016 (in millions)	FY 2017 (in millions)	FY 2018 (in millions)	FY 2019 (in millions)	FY 2020 (in millions)
Perimeter East Building <sup>1</sup> (Woodlawn, MD)	\$24.9		\$47.2	N/A	N/A
Altmeyer (Woodlawn, MD)	\$130				\$20

- 1) **Perimeter East Building (PEB):** At the end of calendar year 2018, we finished the renovation of the third floor of the PEB, repurposing this area from an information technology environment to office space. The new space provides a more efficient space layout for approximately 500 occupants. With the completion of the third floor, we have started planning for the renovation of the fourth floor, including infrastructure upgrades needed to support additional employees in the building. The PEB building is critical to our plan to create additional capacity for employee seating on campus and reduce our reliance on leased space in the Woodlawn area.

### *Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2016	Obligated funding for construction (\$21.4 million) and for furniture design and acquisition (\$3.5 million)	\$24.9
FY 2017	Construction ongoing	N/A
FY 2018	Continuing infrastructure upgrades, fourth floor design and renovation, design for second and fifth floors, and parking lot study (\$41.5 million); and cafeteria renovation (\$5.7 million).	\$47.2
FY 2019 – 2023	Construction: <ul style="list-style-type: none"> <li>• Second and fifth floor renovations</li> </ul>	TBD

- 2) **Altmeyer Building:** We are currently in the design and construction phase for a full modernization of the Altmeyer Building, the oldest facility on our headquarters campus.

The full modernization includes:

- Taking down the building to its support structure (concrete columns and floor slabs);
- Fully abating any hazards (e.g., asbestos, lead paint, etc.);

<sup>1</sup> Formerly named the National Computer Center.

## Limitation on Administrative Expenses

- Modernizing building systems (e.g., electrical systems, heating, air conditioning, and ventilation systems etc.); and
- Reconfiguring space to achieve a more efficient space utilization rate (UR).

GSA awarded the construction contract to Hensel Phelps in March 2018. We conducted interior demolition and abatement of hazardous materials from July 2018 through January 2019. We anticipate the next phase of construction, the curtain wall fabrication and installation, will commence in spring 2019.

By adhering to a UR of 150 square feet per person, the modernized building will accommodate around 800 employees, which is a net gain of approximately 350 seats. The modernized building will house many of our executives, including three presidentially-appointed officials. The offices for these three officials will be furnished in accordance with agency furniture standards, and we anticipate that the costs of furniture will exceed \$5,000 per office. The Altmeyer Building is currently scheduled for completion in calendar year 2021.

### *Timeline and Costs*

Timeline	Milestones	TBD (in millions)
FY 2016	Funding appropriated; GSA begins procurement actions for architectural and engineering (A&E) contractor; begins planning for construction manager as constructor (CMc) solicitation	\$130 <sup>1</sup>
FY 2017	GSA awards construction manager as agent (CMa) contract and contract for A&E design services. GSA begins CMc procurement. Executives and staff vacate the Altmeyer Building for existing spaces around campus.	N/A
FY 2018	GSA awards CMc. A&E completes design. Executives and staff finish vacating the building and occupy swing space.	N/A
FY 2019-FY 2020	Construction begins/continues. SSA begins purchases for furniture, security systems, tenant improvement and other special requirements in the modernized Altmeyer.	\$20 <sup>2,3</sup>
FY 2021	Occupy renovated building.	N/A

<sup>1</sup> In fiscal year (FY) 2016, we obligated \$9.1 million for Altmeyer design, \$4.4 million for CMa, \$106.6 million for construction, and \$9.7 million for swing space design and construction.

<sup>2</sup> The project is on schedule with a completion date of FY 2021. The FY 2020 obligations represent an estimate at the point in time the budget was prepared. Some funding may be needed in FY 2019, and reprogrammed from FY 2020 for unknown conditions (e.g., currently unknown structural deficiencies found once demolition is complete).

<sup>3</sup> Funds will be applied at the end of the project for furniture, security, and other associated move-in costs. The agency cannot purchase these items earlier, because we do not have sufficient warehouse space for storage of panel workstations, office and meeting room furniture, security turnstiles, etc.



**Regional Facilities**

In addition to efforts at our headquarters campus, we are also actively pursuing opportunities to optimize our real estate footprint at regional facilities.

The following paragraphs describe our regional facilities projects.

Building	FY 2016 (in millions)	FY 2017 (in millions)	FY 2018 (in millions)	FY 2019 (in millions)
Harold Washington Social Security Center (Chicago, IL)		\$12.3		\$1.3
Dallas Regional Office (Dallas, TX)	\$14.4	\$3		

- 1) **Harold Washington Social Security Center (HWSSC) (Chicago, IL):** HWSSC is a 10-story building that currently houses multiple agency components including, but not limited to, a field office, a processing service center, Chicago Teleservice Center, and regional office, in approximately 515,000 USF. We are currently working to develop plans to consolidate existing agency leases in the area.

*Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2017	Funding needed for renovation of one floor to accommodate occupants of outlying building leases	\$12.3
FY 2019	Furniture (including new and old de-install and removal)	\$1.3
FY 2020	Move	N/A

- 2) **Dallas Regional Office (RO):** The Dallas RO is currently housed in a 13-story building in the Dallas Downtown Central Business District. The original structure was built in 1952 with improvements made over time. The current building is a multi-tenant facility, with SSA occupying all or part of eight floors, and is fully leased by GSA. The Dallas RO currently occupies 174,082 USF.

On February 23, 2017, GSA awarded a new lease, which will reduce our real estate portfolio by almost 70,000 USF to 117,617 USF. We are currently working with GSA to prepare for the start of construction. We are moving employees to swing space in anticipation of the first phase of construction in February 2019. We estimate completion of all phases in late FY 2020/early FY 2021.

## Limitation on Administrative Expenses

### *Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2016	Renovations/Construction	\$14.4
FY 2017	Furniture	\$3.0
FY 2020	Move	N/A

## NATIONAL SUPPORT CENTER

Our systems maintain demographic, wage, and benefit information on almost every American. While once a state-of-the-art data center designed for mainframe use, the National Computer Center (NCC) was over 30 years old and the facility infrastructure systems exceeded their useful life. 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). The data previously housed at the NCC and now at the new NSC are critical national, economic, and information resources, and essential to providing service to the millions of individuals who count on us each day. The Recovery Act funding allowed us to take timely action to ensure the new NSC facility was built and operational before the NCC's functional life ended.

### **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 the NCC. As of September 30, 2018, we obligated nearly \$498 million and we expect to spend the remaining Recovery Act funds by the end of FY 2019. The General Services Administration (GSA) and SSA provided the following schedule of key milestones.

<b>Planned</b>	<b>Actual</b>	<b>Milestone</b>
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 2015	Begin Transition of IT Services
Aug 2016	Aug 2016	Complete Transition of IT Services

We moved IT services from the NCC to the NSC beginning in October 2014, and completed migration activities on August 22, 2016. The program has closed out on schedule.

Following the completion of the building, remaining funds have been spent on "Data at Rest Encryption" and "On Premise" Cloud Infrastructure. These purchases in FY 2017, FY 2018, and FY 2019 are outlined below.

**Actual and Planned Obligations for the New NSC**

The following table provides actual and planned obligations for the NSC as of January 2019.

**Table 3.42—Actual and Planned Obligations for the New NSC**  
(Dollars in thousands)

<b>Year</b>	<b>Obligations</b>
FY 2009 Actuals	\$1,330.4
FY 2010 Actuals	\$1,850.8
FY 2011 Actuals	\$387,699.5
FY 2012 Actuals	(\$30,856.2) <sup>1</sup>
FY 2013 Actuals	\$37,300.3 <sup>2</sup>
FY 2014 Actuals	\$59,797.7 <sup>3</sup>
FY 2015 Actuals	(\$12,453.7) <sup>4</sup>
FY 2016 Actuals	\$41,497.0 <sup>5</sup>
FY 2017 Actuals	\$11,413.9 <sup>6</sup>
FY 2018 Actuals	\$336.0
FY 2019 Planned	\$2,084.4

In FY 2017, we spent approximately \$8 million for Open Systems Data at Rest Encryption. This initiative will better ensure protection of our most important asset – the information supporting critical applications serving the American public. In addition, we spent approximately \$3.4 million in support of building an “On Premise” Cloud Infrastructure. The On-Premise/Private Cloud Infrastructure project supports acquisition and delivery of computing services via the IT network enabling on-demand access to shared and scalable pools of computing resources.

In FY 2018, we spent \$336,000 for servers and software to continue to support our “On Premise” Cloud Infrastructure.

In FY 2019, we plan to spend the remaining \$2.084 million on encryption hardware.

<sup>1</sup> In FY 2012, there were \$27.5 million in obligations and a recovery from previous construction obligations of \$58.4 million, resulting in a net recovery of \$30.9 million.

<sup>2</sup> In FY 2013, there were \$39.2 million obligations and a recovery from IT of \$1.9 million resulting in a net obligation of \$37.3 million

<sup>3</sup> In FY 2014, there were \$69.8 million in obligations and a recovery from previous construction obligations of \$10 million, resulting in a net obligation of \$59.8 million.

<sup>4</sup> In FY 2015, there were \$42.7 million in obligations and a recovery from previous construction obligations of \$55.1 million, resulting in a net recovery of approximately \$12.5 million.

<sup>5</sup> In FY 2016, actual obligations were \$50 million. These were offset by approximately \$8.5 million recovered due to revised estimates and de-obligations from FY 2011-FY 2015, resulting in a net obligation of approximately \$41.5 million.

<sup>6</sup> In FY 2017, actual obligations were approximately \$11.6 million. These were offset by approximately \$.2 million in recoveries, resulting in a net obligation of \$11.4 million.

## Limitation on Administrative Expenses

The following tables satisfy SSA's requirement directed by the House Report.

**Table 3.43—FY 2018 Physical Infrastructure Costs by Component<sup>1</sup>**  
(Dollars in thousands)

Components	LAE One-Year				Total
	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	
Office of Operations	\$513,056	\$30,376	\$357,646	\$29	<b>\$901,107</b>
Office of Systems	\$0	\$1	\$8	\$0	<b>\$9</b>
Office of Hearings Operations	\$113,199	\$4,403	\$70,428	\$15	<b>\$188,044</b>
Office of Human Resources	\$0	\$1	\$214	\$2	<b>\$217</b>
Office of Retirement and Disability Policy	\$0	\$12	\$40	\$0	<b>\$52</b>
Office of Communications	\$0	\$0	\$6	\$0	<b>\$6</b>
Office of Analytics, Review and Oversight	\$4,649	\$213	\$573	\$0	<b>\$5,436</b>
Office of Budget, Finance, Quality, and Management	\$0	\$160	\$3	\$1	<b>\$164</b>
DCBFM - Agency Level	\$79,732	\$140,610	\$72,675	\$247	<b>\$293,264</b>
Office of General Counsel	\$2,030	\$21	\$227	\$3	<b>\$2,280</b>
Disability Determination Services	\$0	\$30,903	\$382	\$0	<b>\$31,285</b>
Information Technology Systems	\$0	\$58,671	\$3	\$614,443	<b>\$673,119</b>
Social Security Advisory Board	\$17	\$3	\$7	\$3	<b>\$30</b>
<b>Subtotal LAE One Year</b>	<b>\$712,683</b>	<b>\$265,374</b>	<b>\$502,212</b>	<b>\$614,743</b>	<b>\$2,095,013</b>
LAE No-Year					
Delegated Buildings	\$0	\$16,355	\$40,532	\$0	\$56,887
Information Technology Systems	\$0	\$191,190	\$0	\$1,268	\$192,458
National Security Center	\$0	\$0	\$0	\$44,450	\$44,450
<b>Subtotal LAE No Year</b>	<b>\$0</b>	<b>\$207,545</b>	<b>\$40,532</b>	<b>\$45,718</b>	<b>\$293,795</b>
LAE Multi-Year					
MACRA	\$0	\$0	\$0	\$201,249	\$201,249
ODAR Anomaly	\$0	\$0	\$117	\$8,964	\$9,081
<b>Subtotal LAE Multi Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$117</b>	<b>\$210,213</b>	<b>\$210,330</b>
<b>Grand Total<sup>2</sup></b>	<b>\$712,683</b>	<b>\$472,919</b>	<b>\$542,861</b>	<b>\$870,675</b>	<b>\$2,599,139</b>

<sup>1</sup> Includes \$11,925,900 for Reemployed Annuitant (RA) Personnel Costs.

<sup>2</sup> Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.

Limitation on Administrative Expenses

**Table 3.44—FY 2019 Estimated Physical Infrastructure Costs by Component<sup>1,2</sup>**  
(Dollars in thousands)

Components	LAE One Year				Total
	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	
Office of Operations	\$515,435	\$57,424	\$129,962	\$41	<b>\$702,862</b>
Office of Systems <sup>3</sup>	\$0	\$2	\$3	\$0	<b>\$5</b>
Office of Hearings Operations	\$113,724	\$8,324	\$25,592	\$21	<b>\$147,661</b>
Office of Human Resources	\$0	\$2	\$78	\$3	<b>\$82</b>
Office of Retirement and Disability Policy	\$0	\$23	\$15	\$0	<b>\$37</b>
Office of Communications	\$0	\$0	\$2	\$0	<b>\$2</b>
Office of Analytics, Review and Oversight	\$4,671	\$403	\$208	\$0	<b>\$5,281</b>
Office of Budget, Finance, and Management	\$0	\$302	\$1	\$1	<b>\$305</b>
DCBFM - Agency Level	\$80,102	\$265,815	\$26,409	\$351	<b>\$372,676</b>
Office of the General Counsel	\$2,039	\$40	\$82	\$4	<b>\$2,166</b>
Disability Determination Services	\$0	\$58,420	\$139	\$0	<b>\$58,559</b>
Information Technology Systems	\$0	\$110,914	\$1	\$872,682	<b>\$983,597</b>
Social Security Advisory Board	\$261	\$6	\$3	\$4	<b>\$273</b>
<b>Subtotal LAE One Year</b>	<b>\$716,232</b>	<b>\$501,674</b>	<b>\$182,494</b>	<b>\$873,108</b>	<b>\$2,273,508</b>
	LAE No Year				
Delegated Buildings	\$0	\$0	\$0	\$0	\$0
Information Technology Systems <sup>3</sup>	\$0	\$18,930	\$0	\$59,351	\$78,281
<b>Subtotal LAE No Year</b>	<b>\$0</b>	<b>\$18,930</b>	<b>\$0</b>	<b>\$59,351</b>	<b>\$78,281</b>
	LAE Multi Year				
MACRA	\$0	\$0	\$0	\$0	\$0
ODAR Anomaly	\$0	\$0	\$0	\$0	\$0
<b>Subtotal LAE Multi Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$716,232</b>	<b>\$520,603</b>	<b>\$182,494</b>	<b>\$932,459</b>	<b>\$2,351,789</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Includes guard services.

<sup>3</sup> The ITS budget funds all information technology projects for the Agency. The Office of Systems is a staff component that is responsible for the Information Management and Information Technology programs.

Limitation on Administrative Expenses

**Table 3.45—FY 2020 Estimated Physical Infrastructure Costs by Component<sup>1,2</sup>**  
(Dollars in thousands)

Components	LAE One Year				Total
	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	
Office of Operations	\$520,735	\$59,326	\$134,671	\$41	\$714,774
Office of Systems <sup>3</sup>	\$0	\$2	\$3	\$0	\$5
Office of Hearings Operations	\$114,893	\$8,599	\$26,520	\$21	\$150,033
Office of Human Resources	\$0	\$2	\$81	\$3	\$85
Office of Retirement and Disability Policy	\$0	\$23	\$15	\$0	\$38
Office of Communications	\$0	\$0	\$2	\$0	\$2
Office of Analytics, Review and Oversight	\$4,719	\$416	\$216	\$0	\$5,350
Office of Budget, Finance, and Management	\$0	\$312	\$1	\$1	\$315
DCBFM - Agency Level	\$80,925	\$274,619	\$27,366	\$349	\$383,260
Office of the General Counsel	\$2,060	\$41	\$85	\$4	\$2,191
Disability Determination Services	\$0	\$60,355	\$144	\$0	\$60,499
Information Technology Systems	\$0	\$114,588	\$1	\$869,325	\$983,914
Social Security Advisory Board	\$261	\$6	\$3	\$4	\$274
<b>Subtotal LAE One Year</b>	<b>\$723,594</b>	<b>\$518,290</b>	<b>\$189,108</b>	<b>\$869,749</b>	<b>\$2,300,741</b>
	<b>LAE No Year</b>				
Delegated Buildings	\$0	\$0	\$0	\$0	\$0
Information Technology Systems <sup>3</sup>	\$0	\$18,930	\$0	\$59,351	\$78,281
<b>Subtotal LAE No Year</b>	<b>\$0</b>	<b>\$18,930</b>	<b>\$0</b>	<b>\$59,351</b>	<b>\$78,281</b>
	<b>LAE Multi Year</b>				
ODAR Anomaly	\$0	\$0	\$0	\$0	\$0
<b>Subtotal LAE Multi Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$723,594</b>	<b>\$537,220</b>	<b>\$189,108</b>	<b>\$929,101</b>	<b>\$2,379,022</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Includes guard services.

<sup>3</sup> The ITS budget funds all information technology projects for the Agency. The Office of Systems is a staff component that is responsible for the Information Management and Information Technology programs.

Limitation on Administrative Expenses

**Table 3.46—FY 2018 Physical Infrastructure Costs by Region**  
(Dollars in thousands)

Regions	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	Total
<b>Boston</b>	\$27,273	\$2,163	\$19,692	\$7	\$49,135
<b>New York</b>	\$80,895	\$6,227	\$60,916	\$11	\$148,049
<b>Philadelphia</b>	\$53,365	\$5,128	\$45,770	\$11	\$104,273
<b>Atlanta</b>	\$120,412	\$12,968	\$63,002	\$14	\$196,397
<b>Chicago</b>	\$93,878	\$10,058	\$64,776	\$26	\$168,739
<b>Dallas</b>	\$66,685	\$5,589	\$43,823	\$1	\$116,097
<b>Kansas City</b>	\$29,976	\$3,095	\$25,545	\$4	\$58,619
<b>Denver</b>	\$14,658	\$1,434	\$12,626	\$3	\$28,721
<b>San Francisco</b>	\$101,783	\$8,702	\$75,390	\$25	\$185,899
<b>Seattle</b>	\$25,319	\$1,677	\$16,083	\$0	\$43,079
<b>Headquarters</b>	\$98,439	\$415,878	\$115,238	\$870,573	\$1,500,131
<b>Total</b>	<b>\$712,683</b>	<b>\$472,919</b>	<b>\$542,861</b>	<b>\$870,675</b>	<b>\$2,599,139</b>

**Table 3.47—FY 2019 Estimated Physical Infrastructure Costs by Region<sup>1,2,3</sup>**  
(Dollars in thousands)

Regions	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	Total
<b>Boston</b>	\$27,409	\$2,381	\$6,620	\$7	\$36,417
<b>New York</b>	\$81,298	\$6,855	\$20,478	\$12	\$108,643
<b>Philadelphia</b>	\$53,631	\$5,645	\$15,387	\$12	\$74,674
<b>Atlanta</b>	\$121,012	\$14,276	\$21,179	\$15	\$156,482
<b>Chicago</b>	\$94,345	\$11,072	\$21,776	\$28	\$127,221
<b>Dallas</b>	\$67,017	\$6,153	\$14,732	\$1	\$87,903
<b>Kansas City</b>	\$30,125	\$3,407	\$8,588	\$4	\$42,124
<b>Denver</b>	\$14,731	\$1,579	\$4,245	\$3	\$20,557
<b>San Francisco</b>	\$102,290	\$9,579	\$25,344	\$27	\$137,240
<b>Seattle</b>	\$25,445	\$1,846	\$5,407	\$0	\$32,698
<b>Headquarters</b>	\$98,929	\$457,811	\$38,740	\$932,350	\$1,527,830
<b>Total</b>	<b>\$716,232</b>	<b>\$520,603</b>	<b>\$182,494</b>	<b>\$932,459</b>	<b>\$2,351,789</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Includes guard services.

<sup>3</sup> Includes DDS, SSAB, ITS, and Delegated Buildings.

**Table 3.48—FY 2020 Estimated Physical Infrastructure Costs by Region<sup>1,2,3</sup>**  
(Dollars in thousands)

Regions	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	Total
<b>Boston</b>	\$27,691	\$2,457	\$6,860	\$7	\$37,015
<b>New York</b>	\$82,133	\$7,074	\$21,220	\$12	\$110,439
<b>Philadelphia</b>	\$54,182	\$5,825	\$15,944	\$12	\$75,963
<b>Atlanta</b>	\$122,255	\$14,731	\$21,947	\$15	\$158,949
<b>Chicago</b>	\$95,315	\$11,426	\$22,565	\$28	\$129,333
<b>Dallas</b>	\$67,706	\$6,349	\$15,266	\$1	\$89,322
<b>Kansas City</b>	\$30,435	\$3,516	\$8,899	\$4	\$42,854
<b>Denver</b>	\$14,882	\$1,629	\$4,398	\$3	\$20,913
<b>San Francisco</b>	\$103,341	\$9,885	\$26,262	\$27	\$139,516
<b>Seattle</b>	\$25,707	\$1,905	\$5,603	\$0	\$33,214
<b>Headquarters</b>	\$99,946	\$472,423	\$40,144	\$928,992	\$1,541,505
<b>Total</b>	<b>\$723,594</b>	<b>\$537,220</b>	<b>\$189,108</b>	<b>\$929,101</b>	<b>\$2,379,022</b>

**SOCIAL SECURITY ADVISORY BOARD**

This Budget includes \$2.4 million for the Social Security Advisory Board in FY 2020. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a bipartisan, seven-member advisory board to advise the President, the Congress, and the Commissioner of Social Security and to make recommendations on policies and regulations relating to SSA’s major programs: OASDI and SSI.

The Board analyzes the OASDI and SSI programs, including how other public and private systems support these programs, and makes recommendations on how to improve the economic security of millions of Americans. The Board makes recommendations to the President and to the Congress on policies related to preserving the short-term and long-term solvency of the OASI and DI programs. The Board also analyzes and makes recommendations on the coordination of Social Security programs with other health security programs, improving the quality of service to the public, and improving public understanding of the Social Security programs. The Board is not requesting reception and representation authority in FY 2020.

The Board is required by law to meet at least four times per year and currently holds 2-day meetings every other month supplemented with field visits and monthly conference calls. For more information about the Social Security Advisory Board, please see their website at [www.ssab.gov](http://www.ssab.gov).

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Includes guard services.

<sup>3</sup> Includes DDS, SSAB, ITS, and Delegated Buildings.



Table 3.49—SSA Advisory Board Budget Authority by Object Class and Staffing

Object Class	FY 2018 Actual	FY 2019 Estimate	FY 2020 Request
Salaries	\$1,168,277	\$1,339,473	\$1,373,805
Benefits	\$325,511	\$368,527	\$376,195
<b>Subtotal, Compensation</b>	<b>\$1,493,788</b>	<b>\$1,708,000</b>	<b>\$1,750,000</b>
Travel	\$59,768	\$166,000 <sup>1</sup>	\$85,000
Rent, Communications, Utilities	\$20,451	\$272,500 <sup>2</sup>	\$273,500
Printing & Reproduction	\$194	\$1,500	\$2,500
Consultants & Contracts	\$553,652 <sup>3</sup>	\$227,000	\$267,000
Equipment	\$43,025	\$10,000	\$7,000
Supplies	\$28,021	\$15,000	\$15,000
<b>Total, All Objects</b>	<b>\$2,198,899</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>
<b>Staffing Levels</b>			
Full-time, Permanent Staff	9	10	10
Part-time, and other Special Government Employees Temporary Staff	2	1	0
Board Members	6	7	7

*Note: Totals may not add due to rounding.*

### MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT (MACRA)

On April 16, 2015, the President signed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) (Public Law 114 -10). Title V, section 501, prohibits displaying, coding, or embedding Social Security numbers (SSN) on beneficiaries' Medicare cards.

In April 2018, CMS began mailing Medicare cards with a new Medicare Beneficiary Identifier (MBI) that replaced the SSN-based Health Insurance Claim Number (HICN) to prevent fraud, fight identity theft, and keep taxpayer dollars safe. Throughout the transition period – April 1, 2018 through December 31, 2019 – Medicare beneficiaries can use either the HICN or MBI to access benefits or file Medicare claims. Business partners can also use either the HICN or MBI for Medicare transactions, including billing, eligibility, and claim status during the transition period. Starting January 1, 2020, the HICN can no longer be used to access benefits or for other Medicare transactions.

Congress appropriated the Social Security Administration (SSA) \$98 million to fund the implementation costs to comply with the provisions of MACRA. Beginning fiscal year (FY)

<sup>1</sup> There was a significant difference between travel in 2018 and 2019 because the Board commissioned an independent Tech Panel that traveled to the DC area approximately once a month.

<sup>2</sup> There was a substantial increase in rent between 2018 and 2019 due to lease renewal negotiations, which provided some rent-free incentives in 2018.

<sup>3</sup> There was a sharp increase in consultant/contract costs as SSAB had a new systems contract that incorporated a systems security plan to address federal regulations concerning security.

## Limitation on Administrative Expenses

2015, we received the funding incrementally through FY 2018. The funding is available in the following amounts:

- FY 2015 - \$27 million (available through FY 2018);
- FY 2016 - \$22 million (available through FY 2018);
- FY 2017 - \$22 million (available through FY 2018); and
- FY 2018 - \$27 million (available until expended).

We did not require intensive systems changes to support CMS in the SSN Removal Initiative and implementation of MACRA. However, there is some workload impact due to inquiries from the public, requests for replacement Medicare cards, and address changes. We had limited spending in FYs 2015-2018 and expect limited spending through FY 2020 for potential fall-out work in our workload processing components.

We plan to spend about \$1.1 million in FY 2019 and \$260,000 in FY 2020 fielding inquiries, processing requests for Medicare replacement cards, and effectuating address changes. We did not spend approximately \$66 million of the MACRA funds available through FY 2018. At the end of FY 2020, we estimate having \$26 million available to continue to process future fall-out work.

**Table 3.50—MACRA Spending**

<b>FY 2018 Actual</b>	<b>FY 2019 Estimate</b>	<b>FY 2020 Estimate</b>
\$2,300,000	\$1,100,000	\$260,000