Part I: Introduction to SSA's Fiscal Year 2004 Annual Performance Plan

The Social Security Administration (SSA) faces great challenges in administering its programs: giving the American people the service they expect and deserve, particularly as the number of beneficiaries increases with the aging of the baby boomers; improving program integrity through sound fiscal stewardship; supporting reforms to ensure sustainable solvency for future generations; and maintaining its quality staff. Our plans to address these challenges are outlined in our Agency Strategic Plan (ASP) for fiscal years (FYs) 2003 - 2008 and are supported by the FY 2004 President's budget for SSA.

To guide our efforts and measure our progress toward achieving our strategic goals, we have incorporated specific performance targets that directly address these challenges in this FY 2004 Annual Performance Plan (APP).

These targets put SSA on the path toward achieving the following key long-term outcomes:

- Eliminate backlogs for disability claims, hearings and appeals by FY 2008, and reduce significantly the time it takes for a disability claimant to receive a final Agency decision;
- Process critical special disability and workers' compensation-related workloads during FYs 2003-2008 to ensure that affected beneficiaries are paid the right amount;
- Obtain efficiencies through automation, electronic service delivery, and/or process change, amounting to at least 2 percent per year;
- Increase the accuracy in program payments using dedicated funding for three cost-effective activities: continuing disability reviews, Supplemental Security Income (SSI) redeterminations, and overpayment prevention activities;
- Eliminate the backlog of postentitlement workloads by the end of FY 2008, including reducing overpayments through timely processing of reported wages;
- Strengthen the integrity of the Social Security number;
- Get to green on all five President's Management Agenda (PMA) initiatives; and
- Provide actuarial analysis, strengthened research and policy development capability, and public education to support achieving sustainable solvency.

This APP provides a context for making decisions on needed improvements in service delivery, fiscal stewardship and the required staffing to accomplish both. Additionally, this plan supports reforms that ensure long-term solvency. The challenges SSA faces cannot be fully addressed in one year. These challenges are the result of a multi-year buildup of work backlogs and service delivery issues. A multi-year strategy is required to address them. The FY 2004 President's budget for SSA identifies the funds needed to meet our FY 2003 and FY 2004 performance goals and will put us on the path to accomplishing our ambitious, yet attainable long-term goals.

Annual Performance Plan Improvements

This year we streamlined the APP as follows:

- Under each strategic objective, we have developed a reduced number of outcome oriented performance measures meaningful to our external audiences. We have employed a more targeted approach to report externally on performance areas most in need of attention. Internally, we continue to use other measures relevant to our managers' and employees' day-to-day efforts, and that contribute to achieving Government Performance and Results Act (GPRA) commitments. See Appendix D for a complete listing of changes in performance measures since the FY 2003 APP was published.
- We integrated PMA action plans into our strategic objectives to provide a single, unified direction for Agency priorities and improvement activities.
- We have outcome oriented performance measures for all of the General Accounting Office (GAO) identified management challenges and most of the challenges identified by the Office of the Inspector General (IG).
- We have incorporated the Program Assessment Rating Tool performance measures in the summary chart of performance measures.
- We dramatically reduced the length of the document (from 163 pages last year).

Alignment with our New Agency Strategic Plan

As previously mentioned, this APP aligns with our new ASP. The new ASP sets our course for the next five years for achieving measurable results that matter to the American public. It does so through four strategic goals: Service, Stewardship, Solvency, and Staff, and nine long-term strategic objectives in accordance with the following framework:

SSA's Mission	
To advance the economic security of the nation's people through compassionate and vigilant leadership in shaping and managing America's social security programs	
Strategic Goal: To deliver high-quality, citizen-centered service	
Strategic Objectives	**Long-Term Outcomes**
1. Make the right decision in the disability process as soon as possible	- Reduce significantly the time it takes for a disability claimant to receive a final Agency decision - Eliminate backlogs for disability initial claims, hearings and appeals by 2008
2. Increase employment for people with disabilities	- By 2008, increase by 50% from 2001 levels the number of DI and SSI disability beneficiaries who achieve employment - Establish with the Department of Labor a nationwide network of employment support staff in One-Stop Centers to serve Social Security beneficiaries with disabilities - Test the impact of early intervention and youth transition
3. Improve service through technology	- Substantially increase use of electronic services - Eliminate backlogs for postentitlement work by 2008

Strategic Goal: To ensure superior stewardship of Social Security programs and resources	
Strategic Objectives	**Long-Term Outcomes**
4. Prevent fraudulent and erroneous payments and improve debt management	• By 2008, increase SSI payment accuracy to 96% (free of *preventable* error) and to 95% (free of error) • Maintain OASDI payment accuracy at 99.8% • Increase the percent of outstanding debt that is in a collection arrangement • Remain current with DI and SSI continuing disability reviews (if dedicated funding is available) • Finish processing special disability cases • Reduce the backlog of workers' compensation cases
5. Strengthen the integrity of the SSN	• Ensure SSNs are only issued based on verified documents
6. Increase accuracy of earnings records	• By 2005, remove at least 30 million items from the suspense file and post them to the correct earnings record • Beginning with 2005, remove 5% of the earnings items added to the suspense file each year and post them to the correct earnings record
7. Efficiently manage Agency finances and assets, and effectively link resources to performance outcomes	• Compete or convert 50% of commercial positions • Annually receive an unqualified opinion on SSA's annual financial statements with no material weaknesses reported by the auditors • By 2005, substantially complete the most significant projects in the Social Security Unified Measurement System (SUMS) and Managerial Cost Accountability System (MCAS) plan, and complete the plan by the end of 2008 • Increase productivity by at least 2% annually on average • Get to "green" on all five President Management Agenda items
Strategic Goal: To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations	
Strategic Objectives	**Long-Term Outcomes**
8. Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs	• Achieve reform that ensures long-term solvency
Strategic Goal: To strategically manage and align staff to support SSA's mission	
Strategic Objectives	**Long-Term Outcomes**

9. Recruit, develop, and retain a high-performing workforce	• By 2008, demonstrate an improvement in the retention rate
	• Implement new performance management systems to better recognize and reward superior performance for:
	  1. SES executives in 2003
	  2. GS-15s by 2004
	  3. GS-14 and below employees by 2005, subject to contract negotiations
	• Ensure ongoing job enrichment opportunities and training

Relationship of this APP to the President's Management Agenda

The President's Management Agenda (PMA) identifies five government-wide initiatives that are intended to work together as a mutually reinforcing set of reforms. Agencies are rated by the Office of Management and Budget (OMB) on the status and progress of each initiative using a "stop-light" reporting mechanism. OMB defines "status" as follows: green – meets all the standards for success; yellow – achieved some, but not all of the criteria; and red – has any one of a number of serious flaws. OMB also rates "progress" based on established time lines for each of the five initiatives.

Of the major departments and agencies, SSA is rated among the highest in both status and progress as of December 2002. We discuss in detail each PMA strategy in Part IV as part of the means and strategies for the strategic objective each supports. Following is a short summary of the PMA initiatives:

- Strategic Management of Human Capital (Status: yellow, Progress: green) is part of our Staff goal and calls for reducing the distance between citizens and decisionmakers by streamlining the organization; reducing the time it takes to make decisions; redistributing staff from administrative positions to front-line service delivery; capturing employee knowledge through knowledge management systems; and making better use of personnel hiring and training flexibilities to acquire and develop talent and leadership. Ongoing retirement wave analysis and succession planning have led SSA to implement aggressive employee development programs at all levels and redeploy positions to direct service.
- Competitive Sourcing (Status: red, Progress: yellow) is part of our Stewardship goal and seeks to achieve greater efficiencies in program administration, effective competition between public and private sources, and promotion of innovation. SSA is building the infrastructure needed to support public-private competition and improve the efficiency and effectiveness of Agency processes.
- Improved Financial Performance (Status: yellow, Progress: green) is part of our Stewardship goal. This initiative focuses on reducing erroneous payments and ensuring that federal financial systems produce accurate and timely information to support operating, budget and policy decisions. SSA is aggressively moving to reduce erroneous payments and collect related debt.
- Expanded Electronic Government (Status: yellow, Progress: green) is part of our Service goal and will make it simpler for people to receive high-quality service from the federal government, while reducing the cost of delivering those services. SSA will continue to increase the range of services we offer electronically to the public (including citizens and corporations) and partner with other federal, state and local entities to promote consolidated service delivery. We are investing in electronic service delivery as a critical means of providing service to millions of baby boomers, and we will encourage the public to use the SSA Internet website, socialsecurity.gov, to carry out their business with us.
- Budget and Performance Integration (Status: yellow, Progress: green) is part of our Stewardship goal and calls for linking resources to performance, using program evaluation in planning and budget decisionmaking, and improving accountability for performance. Our FY 2004 budget clearly defines performance goals, both in terms of quantifiable public service and program integrity workloads that SSA will handle, and the resources needed to achieve them. Accountability is clearly defined for major Agency initiatives and workloads, and productivity and/or process improvements are built into the most problematic areas identified in evaluations.

Major Management Challenges

To help meet our performance goals established for FY 2004, we must strive to resolve our management challenges identified by the GAO and the IG. We are addressing these challenges and have made significant progress toward meeting them. For some challenges, we use numeric outcome or output goals

to track our progress. For others, we use measurable milestones of initiatives tracked by our executives. We discuss the Major Management Challenges in Part IV in the Means and Strategies section for the strategic objective that each supports.

Included in the chart below are the major management challenges currently designated by the GAO and IG crosswalked to our strategic goals and objectives and the President's Management Agenda (PMA) items.

Relationship of Major Management Challenges to the PMA & Strategic Goals		
Strategic Goals and Objectives	**President's Management Agenda Items**	**GAO and IG Designated SSA Major Management Challenges**

A. Service
  1. Disability timeliness and accuracy
  2. Increase employment for people with disabilities
  3. Improve service through technology
	Expanded Electronic Government	Better Position SSA for Future Service Delivery Challenges, Including Information Technology (GAO)
		
		Electronic Government/Service Delivery (IG)
		
		Improve Programs that Provide Support for Individuals with Disabilities (GAO)
		
		Management of the Disability Process (IG)

B. Stewardship
  1. Prevent fraudulent and erroneous payments/improve debt management
  2. Strengthen integrity of SSN
  3. Increase the accuracy of earnings records
  4. Efficiently manage Agency finances and assets, and effectively link resources to performance outcomes
	Competitive Sourcing
	
	Improved Financial Management
	
	Budget and Performance Integration (including PART requirements)
		Fraud Risk (IG)
		
		Continue to Strengthen the Integrity of the SSI Program (GAO)/Improper Payments (IG)
		
		Integrity of the Earnings Process (IG)
		
		Homeland Security, Social Security Number Integrity and Misuse (IG)
		
		Strengthen Controls to Protect the Personal Information SSA Develops and Maintains (GAO)
		
		Critical Infrastructure Protection/Systems Security (IG)
		
		Budget and Performance Integration (IG)
		
		Integrity of the Representative Payee Process (IG)

C. Solvency 1. Achieve Solvency/more responsive programs		
D. Staff 1. Recruit, develop, retain staff	Strategic Management of Human Capital	Human Capital (GAO and IG)