

# Other Accompanying Information

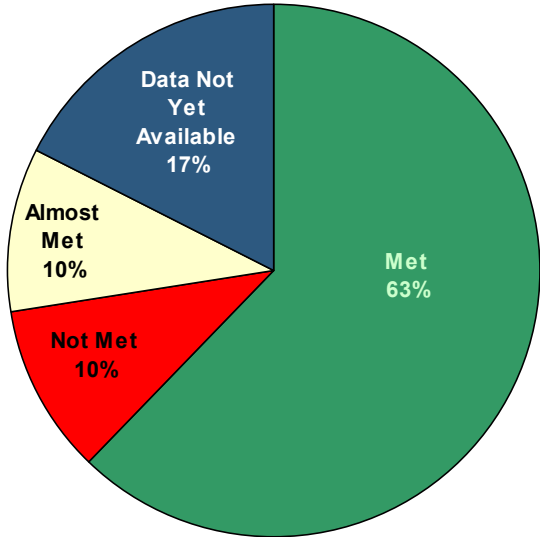


# GPR Performance Results

## Summary of Achievement - FY 2002 Performance Goals

The performance data presented in this report are fundamentally complete and reliable as outlined in the guidance available from the Office of Management and Budget. While we have identified no material inadequacies, the Data Quality discussion in the Performance Goals and Results section of Management’s Discussion and Analysis describes our continuing efforts to strengthen the quality and timeliness of SSA’s performance information to increase its value to both SSA’s management and stakeholders. The results achieved for each FY 2002 goal are either discussed in this report or will be included in a future annual report. SSA’s managers routinely use this performance data to improve the quality of program management and to demonstrate accountability in achieving program results.














The below chart describes the results for the 69 Government Performance and Results Act (GPR) performance goals. We met 43 of the 69 goals.
















On the next page, a summary chart displays all 69 GPR measured performance indicators, plus 1 non-GPR key performance indicator for SSI redeterminations. This chart displays each target as “met,” “not met by slim margin or strong positive trend toward target,” “not met,” and “data not yet available.” The indicators are organized under the objectives they support; each objective has one or more performance indicator. We include a summary of performance for each objective, which rolls up the performance for the indicators that support it.

Following the summary chart are individual discussions for each of our performance indicators. If we did not have final FY 2001 performance data in time for the FY 2001 Annual Performance Report, we include it here along with the FY 2002 discussion. We also include data definitions and data sources (if available) for each indicator.

## OUR ACHIEVEMENT OF FY 2002 PERFORMANCE TARGETS BY GOAL AND OBJECTIVE







Strategic Goal A: To deliver citizen-centered, world-class service		
<i>Performance Indicators (PI)</i> <i>Key Performance Indicators (KPI)</i>		<i>Performance Summary</i>
 <i>Target Met or Exceeded</i>  <i>Target Not Met by Slim Margin or Strong Positive Trend Toward Target</i>  <i>Target Not Met</i>  <i>Target Not Yet Available</i>		
<p><b><i>Objective 1: By 2004 and beyond, have 9 out of 10 people who do business with SSA rate the 'overall service as "good", very good", or "excellent", with most rating it "excellent"</i></b></p>		
KPI #1: People rating service as "excellent", "very good", or "good".		<p><b>Our results for this Objective were very positive.</b> We met or exceeded the targets for all but one item reported for FY 2002, and that was missed by a slim margin.</p>
People rating service as "excellent."		
KPI #2: Callers who access the 800-number within 5 minutes of their first call.		
Caller 800-number access on their first attempt.		
800-number call payment accuracy		
800-number call service accuracy		
KPI #3: Appointment waiting time 10 minutes or less.		
<p><b><i>Objective 2: By 2005, make 67% of the public's interactions with SSA, including citizen-initiated services, available either electronically via the Internet or through automated telephone service, and provide the public interacting with SSA on the Internet with the option of communicating with an SSA employee while online</i></b></p>		
KPI #4: Electronic services available to the public via the Internet or through automated telephone service.		<p><b>Our results for this Objective were positive.</b> We continued our enhancement of Internet applications and other automation tools that can provide citizens with better access to SSA, improve service, and help SSA meet increased service demands.</p>
Public's ability to communicate with an SSA employee while online.		



<b><i>Objective 3: Increase electronic access to information needed to serve the public.</i></b>		
Electronic access to States' human services (HS) and unemployment (UI) information.	↓	<b>Our results for this Objective fell short of our expectations, but still showed promise.</b> While we made progress in all areas, we failed to fully meet any individual target by the end of FY 2002. We gained access to additional States' information, but not as many as projected for FY 2002. We are pursuing a national solution for obtaining UI information, which is more efficient and effective than continuing to pursue a state-by-state solution. Connections to 8 states for VS data that were not completed in FY 2002 are targeted for completion by December 2002, which effectively meets that goal. We made progress in obtaining electronic access to information held by other federal agencies and financial institutions.
Electronic access to States' vital statistics (VS) and other material information.	↓	
Electronic access to information held by other federal agencies, financial institutions, and medical providers.	↓	
<b><i>Objective 4: Maintain the accuracy, timeliness, and efficiency of service to people applying for OASI and SSI Aged benefits.</i></b>		
Retirement and Survivors (OASI) claims processed timely.	↑	<b>Our results for this Objective were outstanding.</b> We exceeded our processing time targets for OASI and SSI aged claims and all systems enhancements were completed as planned.
Supplemental Security Income (SSI) aged claims processed timely.	↑	
Software and infrastructure for paperless processing of RSI and SSI Aged claims.	↑	
<b><i>Objective 5: Improve the accuracy, timeliness, and efficiency of service to people applying for DI and SSI disability benefits.</i></b>		
Initial disability claims decisions issued within 120 days.	↑	<b>Our results for this Objective were mixed.</b> We met or exceeded 3 out of the 7 targets, including processing time targets. Although we missed the denial accuracy rates by slim margins, we did improve over FY 2001 performance due to ongoing training efforts that foster consistent application of laws, regulations and rulings. DDSs were under considerable pressure to keep cases moving and this resulted in less than the desired level of development. This pressure particularly affected denial accuracy because of the additional documentation requirements to be met. We completed critical milestones toward delivery of AeDib on time.
KPI #5: Initial disability claims average processing time.	↑	
DDS allowance performance accuracy rate.	↑	
DDS net allowance accuracy rate.	→	
KPI #6: DDS denial performance accuracy rate.	↓	
DDS net denial accuracy rate.	→	
Software and infrastructure for electronic processing of disability claims.	↓	

<b><i>Objective 6: Improve the accuracy, timeliness, and efficiency of service to people requesting hearings or appeals.</i></b>		
Hearings decisions issued within 180 days.		<b>Our results for this Objective were disappointing.</b> We met 2 of the 8 targets, did not meet 5, and are waiting for data on 1. Our attempts to substantially improve our performance in processing hearings and appeals were hindered primarily by continued increased receipts, substantial backlogs from prior years, and delays in realizing benefits from hearings process and Appeals Council improvements. In addition, litigation prevented us from hiring Administrative Law Judges (ALJs) to replace those lost through attrition, although we received temporary relief by being able to conduct a one-time hiring of ALJs. With the one-time hiring of some replacement ALJs and positive experience going forward with our process improvement initiatives, we are committed to moving toward our long-range improvement targets.
KPI #7: Hearings average processing time.		
OHA decisional accuracy rate.		
Software and infrastructure for electronic processing of hearings and appeals.		
Hearings cases processed per workyear.		
Appeals of hearings (Appeals Council) decisions issued within 105 days.		
Appeals of hearings (Appeals Council) decisions average processing time.		
Appeals of hearings (Appeals Council) decisions issued per workyear.		
<b><i>Objective 7: By 2005, increase by 100 percent from 1999 levels, the number of SSDI and SSI disability beneficiaries who achieve steady employment and no longer receive cash benefits.</i></b>		
Increase in the number of DI adult worker beneficiaries who began a trial work period.		<b>Our results for this Objective were mixed.</b> We do not yet have the actual data for disabled beneficiaries who began a TWP and the number of working SSI disabled beneficiaries. We met our milestones for implementation of the Ticket to Work program. We continue to promote SSA's work incentives and, particularly, the Ticket program, in an effort to encourage and support the work activity of disability beneficiaries.
Increase in the number of SSI disabled beneficiaries, aged 18-64, participating in 1619(a) status.		
Activities to implement provisions of the Ticket-to-Work and Self-Sufficiency Program (TWSSP) and other employment strategies.		
<b><i>Objective 8: Improve or maintain the accuracy, timeliness and efficiency of processing postentitlement events.</i></b>		
OASDI postentitlement automation rate		<b>Our results for this Objective were outstanding.</b> We met the targets for both items, significantly increasing usage of available software to electronically process postentitlement actions.
SSI postentitlement automation rate		

<b><i>Objective 9: Maintain through 2005 the accuracy, timeliness and efficiency of service to people applying for Social Security numbers and replacement cards.</i></b>		
Social Security Number (SSN) replacement cards issued within 5 days of receiving all necessary documentation.	↑	<b>Our results for this Objective were positive.</b> We exceeded our target for timely issuance of SSN cards. The actual data for SSN issuance accuracy will be reported in the FY 2003 PAR.
SSN issuance accuracy.	➡	

<b>Strategic Goal B: To ensure the integrity of Social Security programs, with zero tolerance for fraud and abuse</b>		
<b><i>Objective 1: Maintain at 99.8% the overpayment and underpayment accuracy based on non-medical factors of eligibility of OASDI payment outlays.</i></b>		
Retirement, survivors and disability (OASDI) (non-medical) payment accuracy.	➡	<b>Results for this Objective are not available.</b> They will be reported in the FY 2003 Performance and Accountability Report (PAR).
<b><i>Objective 2: By 2005, raise to 96% the overpayment accuracy based on non-medical factors of eligibility and SSI disabled and aged payment outlays.</i></b>		
SSI non-medical payment accuracy (including both preventable and unpreventable errors).	➡	<b>Results for this Objective are not available.</b> They will be reported in the FY 2003 Performance and Accountability Report (PAR).
SSI non-medical payment accuracy (excluding unpreventable errors).	➡	
<b><i>Objective 3: To become current with DI and SSI CDR requirements by FY 2002 and remain current thereafter.</i></b>		
KPI #8: Percent of multi-year CDR plan completed.	↑	<b>Our results for this Objective were outstanding.</b> With special funding provided by Congress, we successfully complete our 7-Year CDR plan to eliminate the CDR backlog.
<b><i>Objective 4: Maintain timeliness and improve accuracy and efficiency in posting earnings data to Agency records.</i></b>		
Percent of wage items (worker's earnings) posted by Sept 30.	↑	<b>Our results for this Objective were outstanding.</b> Increased use of technology, improved services and employer support contributed to our success in achieving or exceeding all our goals for posting earnings and wage items.
Percent of earnings posted correctly.	↑	
KPI #9: Percent of employee reports (W-2s) filed electronically.	↑	

<b>Objective 5: Maintain a level of outstanding debt that is either in a repayment agreement, under appeal or newly detected.</b>	
Outstanding OASDI debt not in a collection arrangement (excluding due process). 	<b>Our results for this Objective were outstanding.</b> Our recovery of a substantial amount of OASDI and SSI debt was due to our effective use of available debt recovery tools.
Outstanding SSI debt not in a collection arrangement (excluding due process). 	
<b>Objective 6: Aggressively deter, identify and resolve fraud.</b>	
Number of investigations conducted (i.e., closed). 	<b>Our results for this Objective were outstanding. We exceeded all 4 targets</b> largely because of expansion of national investigative efforts, including the Office of the Inspector General’s fugitive felon program and Cooperative Disability Investigative teams.
KPI #10: OASDI dollar amounts reported from investigative activities. 	
KPI #11: SSI dollar amounts reported from investigative activities. 	
Number of judicial actions reported. 	

<b>Strategic Goal C: To strengthen public understanding of Social Security programs</b>	
<b>Objective 1: By 2005, 9 out of 10 Americans will be knowledgeable about Social Security programs.</b>	
Percent of public knowledgeable about Social Security issues 	<b>Our results for this Objective were positive.</b> The most recent survey we conducted of the American public was completed in December 2001. This one-time survey of 20,000 respondents showed that 80 percent of adult Americans were knowledgeable about Social Security, as we have previously defined “knowledgeable.” We did not conduct a national “knowledge” survey at the end of FY 2002, as we have done in previous years, because we are revising our public education programs and “knowledge measure” to align with the Agency’s new strategic plan.
Percent of individuals issued Social Security Statements as required by law. 	

**Strategic Goal D: To be an employer that values and invests in each employee**

***Objective 1: To recruit, develop, and retain a diverse, well-qualified workforce.***

Increase the retention rate of new hires	↑	<p><b>Our results for this Objective were positive.</b> We established a baseline retention rate, developed new recruitment materials, and provided leadership training as planned. We established procedures for repaying student loans, but were unable to implement those procedures because we are at impasse with the union at present.</p>
KPI #12: Continue to implement the SSA Future Workforce Plan	↓	

***Objective 2: To maintain a highly skilled and high-performing workforce.***

Develop, test, and implement desktop video nationally	↑	<p><b>Our results for this Objective were positive.</b> We implemented desktop video in 5 sites nationally and installed IVT in 221 offices. We exceeded projections by 10 percent in providing management development programs, and defined competencies for 2 of 4 field positions targeted. We are continuing to investigate competency-based tools for employee use.</p>
Percent offices with direct access to Interactive Video Teletraining (IVT).	↑	
Formal management development programs.	↑	
Define competencies for technical training and career development and make them available for employee use.	↓	

***Objective 3: Physical environment that promotes the health and well-being of every employee.***

Percent of employees who are satisfied with overall physical environment.	↓	<p><b>We did not achieve the intended results of this Objective.</b> Although we continue to implement the security and environmental programs, we were unable to meet the goal of establishing a baseline because the instrument we planned to use did not meet our needs. We continue to use security reviews and safety surveys to identify and remediate problems areas.</p>
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**Strategic Goal E: To promote valued, strong, and responsive social security programs and conduct effect policy development, research, and program evaluation**

***Objective 1: Promote policy changes that shape the OASDI and DI programs***

KPI #13: Barometer measures for assessing the effectiveness of the OASDI program.	↑	<p><b>Our results for this Objective were very positive. We met all 3 performance targets</b> and thus advanced our research and analysis of the OASDI and DI programs, helping us develop appropriate policy proposals for the future.</p>
Analyses and reports on demographic, economic, and international trends and their effects on OASDI programs.	↑	
KPI #14: Research and policy analyses to assist the Administration and Congress in developing proposals to reform and modernize OASDI programs.	↑	



<b><i>Objective 2: Promote policy changes that shape the SSI program.</i></b>		
Barometer measures for assessing the effectiveness of the SSI program.	↑	<b>Our results for this Objective were outstanding. We met both of the targets</b> and thus advanced our research and analysis of the SSI program, helping us develop appropriate policy proposals for the future.
Completion of data collection and report on the National Survey of SSI Children and Families.	↑	
<b><i>Objective 3: Promote policy changes that shape the disability program.</i></b>		
Research design for validating medical listings.	↑	<b>Our results for this Objective were outstanding. We met all 3 targets</b> and thus advanced our research and analysis of the disability program, helping us develop appropriate policy proposals for the future.
Reports on results of the National Study of Health and Activity (NSHA).	↑	
Alternative return-to-work strategies.	↑	
<b><i>Objective 4: Provide information for decisionmakers and others on the Social Security and SSI programs.</i></b>		
User rating of SSA's research and analysis products.	↑	<b>Our results for this Objective were outstanding. We met both targets.</b> We assessed the user satisfaction measurement system, analyzed baseline measures and identified steps to improve satisfaction with research and analysis products, and produced all major statistical products on time.
Timeliness of major statistical products.	↑	

## Individual Performance Indicator Results

The following section reports and discusses our FY 2002 performance for each individual GPRA performance indicator. In addition, for those performance indicators for which we did not have final data when the FY 2001 Performance and Accountability Report was issued in December 2001, we also report final FY 2001 performance. The full information for the Key Performance Indicators is not included here, but rather in the "Performance Goals and Results/FY2002 Performance by Strategic Goal" section, which begins on page 25.

For each GPRA performance indicator, we also show the definition and data source.

Indicators are organized under the Strategic Goal and Strategic Objective that they support.

## Strategic Goal A: To deliver citizen-centered, world class service

*Strategic Objective 1: By 2004 and beyond, have 9 out of 10 people who do business with SSA rate the overall service as “good”, “very good”, or “excellent”, with most rating it “excellent”*

**Performance Indicator 1:** Percent of people who do business with SSA rating the overall service as “excellent”, “very good”, or “good”. **We exceeded our goal. This indicator is Key Performance Indicator 1 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 30 for a detailed discussion.**

**Performance Indicator 2:** Percent of people who do business with SSA rating the overall service as “excellent”.

**FY 2002 Performance Discussion: We met our goal.** The improvement in this rate is attributable to a significant increase in satisfaction with 800 number service and a rise in satisfaction with field office telephone service that was not statistically significant in itself, but was sufficient to influence the combined rating. In both instances, the improvement in the overall service rating was accompanied by improvements in the perception of service access and in employee attribute ratings. We believe that the new call routing system contributed to the improved access perception and influenced this outcome. As we continue to pursue service improvements to address evolving public expectations, we expect satisfaction levels to remain relatively constant through FY 2003 and 2004.

Year	Goal	Actual
1999	N/A	44%
2000	37%	29%
2001	30%	28%
2002	30%	30%

**Data Definition:** This is the percent of people who call or visit SSA surveyed by SSA’s Office of Quality Assurance and Performance Assessment who rate overall service as “excellent” on a 6-point scale ranging from “excellent” to “very poor”, divided by the total number of respondents to that question.

**Data Source:** For FY 1999 and earlier, the SSA Annual Satisfaction Survey. For FY 2000 and beyond, the Interaction Tracking Systems that capture satisfaction shortly after service contacts (either by telephone or in-person) take place.

**Performance Indicator 3:** Percent of callers who successfully access the 800-number within 5-minutes of their first call. **We exceeded our goal. This indicator is Key Performance Indicator 2 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 30 for a detailed discussion.**

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**Performance Indicator 4:** Percent of callers who get through to the 800-number on their first attempt.

**FY 2002 Performance Discussion:** **We exceeded our goal.** We were able to exceed the access goal because of actions taken during the fiscal year to improve the efficiency of the 800 number network, including:

- Shifting staff to expand call-answering capacity during times when call volumes are heavier;
- Installing 1,035 additional lines between WorldCom’s equipment and the 800 number answering sites to expand capacity on both inbound and outbound calls;
- Making adjustments that allowed more callers to go into queue, significantly improving access rates; and
- Balancing queues across the network, so callers are routed to the site with the shortest wait time.

We improved the access rate, using fewer resources, without sacrificing the quality of service provided to citizens. Along with recent improvements in automation, these actions will help the Agency meet the higher FY 2003 access goal of 87 percent.

Year	Goal	Actual
1999	90%	92.9%
2000	86%	88.4%
2001	86%	89.2%
2002	86%	91.3%

**Data Definition:** This percent is the number of individuals who reach the 800-number (either live or automated service) on their first attempt, divided by the number of unique telephone numbers dialed to the 800-number. An “attempt” is defined as the first attempted call of the day, or a subsequent attempt after a previously successful call.

**Data Source:** Automatic Number ID records provided by WorldCom.

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**Performance Indicator 5:** Percent of 800-number calls handled accurately - Payment.

**FY 2001 Performance Discussion:** **We did not meet our goal.** We evaluate 800 number service on an ongoing basis, routinely using data from quality review reports to identify areas where refresher training and/or updates to policy and operational instructions are needed to improve payment accuracy levels. We implemented several quality initiatives beginning in late FY 2001 and FY 2002, which were not in effect long enough to improve 800 number payment and service accuracy rates for FY 2001. These initiatives include:

- Refresher training in deficient areas identified in quality assurance reviews for 800 number agents and in areas highly prone to errors;
- Implementation of mandatory use of the expert systems for all 800 number agents;
- Customer service training for all 800 number agents; and
- Collection and sharing of quality "best practices" from 800 number call-answering sites.

We do expect these initiatives to result in improved performance levels in both service and payment accuracy levels in FY 2002 and FY 2003.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused.

**FY 2002 Performance Discussion:** Data not yet available. Actual FY 2002 performance for this indicator will be reported in the FY 2003 APR.

Year	Goal	Actual
1999	95%	95.4%
2000	95%	94.5%
2001	95%	94.3%
2002	95%	NA

**Data Definition:** Payment accuracy is a measure of whether 800-number representatives respond correctly to inquiries related to eligibility and payment of benefits.

**Data Source:** 800-number Service Evaluation Findings.

**Note:** Generally, there is about a one year lag before quality data are available due to the review and validation of study data input in the database, allowing time for rebuttals of errors, obtaining universe counts and running/validating report tables.

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**Performance Indicator 6:** Percent of 800-number calls handled accurately - Service.

**FY 2001 Performance Discussion:** We did not meet our goal. See discussion immediately above.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused.

**FY 2002 Performance Discussion:** Data not yet available. Actual FY 2002 performance for this indicator will be reported in the FY 2003 APR.

Year	Goal	Actual
1999	90%	81.8%
2000	90%	84.9%
2001	90%	83.1%
2002	90%	N/A

**Data Definition:** Service accuracy is a measure of whether 800-number representatives respond correctly to inquiries related to issues other than payment and eligibility. Service errors include major service delivery failures that do not have a reasonable potential to improperly affect payment or eligibility.

**Data Source:** 800-number Service Evaluation Findings.

**Note:** Generally, there is about a one year lag before quality data are available due to the review and validation of study data input in the database, allowing time for rebuttals of errors, obtaining universe counts and running/validating report tables.

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**Performance Indicator 7:** Percent of public with an appointment waiting 10 minutes or less. **We did not meet our goal. This indicator is Key Performance Indicator 3 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 31 for a detailed discussion.**

*Strategic Objective 2: By 2005, make 67 percent of the public’s interaction with SSA, including citizen-initiated services, available either electronically via the Internet or through automated telephone service, and provide the public interacting with SSA on the Internet with the option of communicating with an SSA employee while online*

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**Performance Indicator 1:** Percent of the public’s interactions with SSA, including citizen-initiated services, available either electronically via the Internet or through automated telephone service. **We met our goal. This indicator is Key Performance Indicator 4 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 31 for a detailed discussion.**

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**Performance Indicator 2:** Activities to establish the capability for the public interacting with SSA on the Internet to communicate with an SSA employee while online.

**FY 2002 Goal: Test Internet and 800 number convergence technologies in a proof of concept initiative and begin to implement technologies.**

**FY 2002 Performance Discussion: We met our goal.** We successfully launched a Multi-Channel Contact Center (MC3) Initiative in FY 2002. MC3 will test new communication technologies to provide complete service to the public at their first point of contact with SSA. We will eventually test Internet and 800 number convergence technologies. These technologies will support our growing Internet workloads, and serve individuals contacting us through our 800 number, e-mail, or Social Security Online.

In FY 2002 SSA successfully electronically linked 12 SSA offices of different types across the country. Two program service centers, three field offices, five teleservice centers, and two central operations offices were linked together in the first MC3 pilot. The pilot tested the transfer of 800 number calls from among offices. Not only did this increase the number of callers served at their initial call to SSA, but it also electronically linked the various offices and laid the foundation to test other communication technologies in FY 2003 and beyond. Plans are now in the early developmental stages to test e-mail, web callback, web chat/collaboration, and voice web portal.

Our ability to test additional communication technologies in FY 2003 requires that we address issues such as labor/management obligations and security/authentication. The most significant challenge to this initiative is securing funding for IT security. To date, the MC3 initiative has not been rated highly in the context of other SSA IT priorities. Testing of additional communications technologies, including Internet convergence technologies, is contingent upon securing sufficient funding.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

**Data Definition:** Internet and 800 number convergence technologies are real time text-based collaboration, e.g., web chat; real time web page collaboration (push/pull technology); call back features; Voice Over Internet Protocol (VOIP); secure e-mail; authentication (smart cards, biometrics, PINS and passwords); and public relationship management tools. Our plan is to move successful technologies to the proposed Multi-Channel Contact

Center (MC3). As we gain experience from the MC3 we will develop recommendations and plan for national implementation of the various technologies.

**Data Source:** Data will be obtained from the individual vendors who supply the hardware and/or software features for the various applications.

***Strategic Objective 3: Increase electronic access to information needed to serve the public. Specifically by 2005:***

- *Establish electronic access to human services and unemployment information with 90% of States;*
- *Establish electronic access to vital statistics and other material information with 50% of States; and*
- *Increase electronic access to information held by other Federal agencies, financial institutions and medical providers*

**Performance Indicator 1:** Percent of States with which SSA has electronic access to human services and unemployment information.

**FY 2002 Performance Discussion:** We continued to make progress but did not meet our goal. The goal was not completely achieved because a few states ran into delays due to local programming problems that did not involve SSA. We continue to pursue individual connections with the states for human services information. However, we have since determined a national solution for access to unemployment data. We are working with the Department of Labor to connect with their existing system and thereby gain access to all state unemployment information; this solution will be more efficient and effective than continuing to pursue the state-by-state solution for unemployment information. SSA is in the process of implementing this project.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

Year	Goal	Actual
1999	N/A	41%
2000	N/A	50%
2001	59%	55%
2002	68%	64%

**Data Definition:** This is the percent of State HS and UI agencies from which data are available online out of a total of 100 agencies (i.e., 50 HS and 50 UI agencies).

**Data Source:** Office of Automation Support website listing of State agency connections.

**Performance Indicator 2:** Percent of States with which SSA has electronic access to vital statistics and other material information.

**FY 2002 Performance Discussion:** We continued to make progress but did not meet our goal. In early FY 2002, we contracted with the State Vital Records Association to develop software to pilot online access. We also negotiated with states with the expectation that we would pilot online access in 8 states in the summer of 2002. States had been hesitant to pursue individual vital statistics connections in anticipation of the pilot. This is a complicated endeavor and the negotiations and other preparations took longer than expected. As a result, the pilot

was only implemented in one state. We are now back on track. The remaining seven states are scheduled for the end of December 2002; our FY 2002 goals will be exceeded at that point.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

Year	Goal	Actual
1999	N/A	10%
2000	N/A	10%
2001	12%	10%
2002	14%	12%

**Data Definition:** This is the percent of State Vital Statistics agencies from which data are available online out of a total of 50 agencies.

**Data Source:** Office of Automation Support website listing of State agency connections.

**Performance Indicator 3:** Milestones/deliverables demonstrating progress in increasing electronic access to information held by other Federal Agencies, financial institutions and medical providers.

**FY 2002 Goal:**

1. Evaluation of the California Electronic Medical Evidence (EME)/Public Key Infrastructure (PKI) pilot; the expansion of the Mississippi (MS) Veterans Administration pilot, and Kentucky (KY) SMART pilot; preliminary analysis of electronic transmission of medical information; and preliminary implementation plan developed; and
2. Begin project to have third-party vendor work with financial institutions nationwide to check records concerning applicants'/recipients' eligibility for benefits

**FY 2002 Performance Discussion: We did not meet the goal.**

Part 1 of the goal was completed with the exception of the expansion of the MS Veterans Administration pilot. We successfully completed our evaluation of three alternatives for securely transferring medical evidence over the Internet. A final report was accepted that discusses the three alternatives and made recommendations for implementation.

One of the alternatives, secure e-mail, is now in use with a government-to-government pilot project (with Veterans Administration in Mississippi) and a government-to-business pilot (Fresno, California Disability Determination Service (DDS) with MDSI, a provider of consultative examinations). A second alternative, File Transfer Protocol, is currently in use by the Agency for non-medical file transfers over the Internet. The KY SMART pilot has been expanded to North Carolina. Smart Corp. captures medical evidence of record in an electronic file and then notifies the appropriate DDS of its availability through a secure website maintained by Smart. Then, the DDS accesses the secure website through a secure Internet connection to download the medical evidence and print it at the DDS. Another secure web-based application, Integrated Messaging Environment, was also evaluated.

Part 2 of the goal was not completed. Prior to beginning the project to check financial institutions' records for applicants and recipients of benefits, regulations must be published permitting it. Publication of the regulation was delayed and is now expected in the December 2002. In addition, we are pursuing a vendor to perform a prototype which will determine the extent to which we can obtain financial resource information from financial institutions.

We expect to perform the prototype and have evaluation results in FY 2003. If the prototype is deemed successful, we will proceed with fully developing the project.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

**Data Definition:** The FY 2002 goal will be considered met upon the completion of the California pilot and analysis of 3 alternatives for Internet transmission of medical information, and development of an implementation plan. Additionally we will begin the project with financial institutions to check their records to determine applicants/recipients eligibility for benefits by publishing final regulations, preparing a statement of work for vendor services, and developing a schedule for the pilot.

**Data Source:** Private healthcare providers and the Veteran's Administration.

*Strategic Objective 4: Maintain the accuracy, timeliness, and efficiency of service to people applying for OASI and SSI aged benefits. Specifically by 2005:*

- *Have the capacity to take and process 99% of OASI and SSI aged claims in a paperless environment.*

**Performance Indicator 1:** Percent of OASI claims processed by the time the first regular payment is due or within 14 days from the effective filing date, if later.

**FY 2002 Performance Discussion: We exceeded our goal.** Our performance in adjudicating OASI benefits decreased slightly over that for last year, but our FY 2002 goal was still exceeded. The goal was raised this fiscal year from 83 percent to 85 percent in recognition of the fact that we have demonstrated increased performance over the past four fiscal years. Our performance reflects our continuing commitment to make timely and accurate payments to our beneficiaries.

Year	Goal	Actual
1999	83%	84.3%
2000	83%	86.9%
2001	83%	89.2%
2002	85%	88.3%

**Data Definition:** This percent is the number of OASI applications completed through the SSA operational system (i.e., award or denial notices are triggered) before the first regular continuing payment is due or not more than 14 calendar days from the effective filing date, if later, divided by the total number of OASI applications processed. The first regular payment due date is based on the appropriate payment cycling date which may be the 3<sup>rd</sup> of the month, or the 2<sup>nd</sup> or 3<sup>rd</sup>, or 4<sup>th</sup> Wednesday of the month.

Certain conditions must exist for a case to be included in the computation for this indicator. The case must be completed as an award or disallowance. Cases completed as Office of Earnings Operations (OEO) deletions, miscellaneous clearances, withdrawals, no payment awards, no applications, systems purges, manual clearances, re-established reconsiderations or miscellaneous deletions are not included in the computation.

**Data Source:** The MIICR System



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**Performance Indicator 2:** Percent of SSI aged claims processed by the time the first payment is due or within 14 days of the effective filing date, if later.

**FY 2002 Performance Discussion: We exceeded our goal.** We have been steadily improving the timeliness of our SSI Aged claims processing for a number of years. The goal was raised for FY 2002 from 66 percent to 70 percent in recognition of the fact that we have demonstrated increased performance over the past four fiscal years. Our exceeding of the FY 2002 goal reflects our continuing commitment to make timely and accurate payments to our SSI Aged beneficiaries.

Year	Goal	Actual
1999	66%	63.5%
2000	66%	74.4%
2001	66%	79.9%
2002	70%	82.6%

**Data Definition:** (FY 2001 on) This percent is the number of SSI Aged applications completed through the SSA operational system (i.e., award or denial notices are triggered) before the first regular continuing payment is due or not more than 14 days from the effective filing date, if later, divided by the total number of SSI Aged applications processed. The first regular continuing payment due date is based on the first day of the month that all eligibility factors are met and payment is due. This definition is in effect beginning FY 2001.

Prior to FY 2001, the indicator was: Percent of initial SSI Aged claims processed within 14 days of filing date. The rate reflected the number of SSI Aged applications completed through the SSA operational system (i.e., award or denial notices triggered) within 14 days of filing date, divided by the total number of SSI Aged applications processed. This definition and measurement system were in effect for years prior to FY 2001.

**Data Source:** The Title XVI Operational Data Store System

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**Performance Indicator 3:** Implement activities necessary to have the software and infrastructure in place for paperless processing of RSI and SSI aged claims.

**FY 2002 Goals:**

1. Accommodate dual entitlement advance file cases; automate determination of need to develop military service allegations; update the workers' compensation file; and control certain exceptions via a Processing Center Action Control System (PCACS) interface; and
2. Implement Phase 2 of Attorney Fee/Windfall Offset project. Begin analysis of additional windfall offset enhancements

**FY 2002 Performance Discussion: We met our goal.** All systems enhancements were completed as planned. Additional Attorney Fee/Windfall Offset enhancements are expected in FY 2003. These enhancements will remove many automated processing limitations, resulting in faster and more accurate benefit payments to the public. This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

**Data Definition:** 1) This goal will have been met if we develop, test, validate and implement release 3.8 of MCS. 2) This goal will have been met if we develop, test, validate and implement a future release of MSSICS.

**Data Source:** Office of Systems 5-Year Plans

*Strategic Objective 5: Improve the accuracy, timeliness and efficiency of service to people applying for DI and SSI disability benefits. Specifically by 2005:*

- *Increase the accuracy of initial disability claims decisions to deny benefits to 95%;*
- *Maintain the accuracy of initial disability claims decisions to allow benefits at 96.5%;*
- *Issue initial disability claims decisions in an average of 105 days, with at least 70% issued within 120 days; and*
- *Have the capacity to process 99% of disability claims in an electronic environment*

**Performance Indicator 1:** Percent of initial disability claims decisions issued within 120 days.

**FY 2002 Goal:** Establish a baseline for this indicator.

**FY 2002 Performance Discussion:** We met this goal. The percentage of initial disability claims decisions issued within 120 days for FY 2002 was 65.3. Beginning FY 2003, this baseline performance will be used to establish and track performance targets which will be used internally for SSA and Disability Determination Services (DDS) management of the initial disability claims process.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

**Data Definition:** We will consider this goal met if we establish baseline data for this indicator.

**Data Source:** Office of Information Management.

**Performance Indicator 2:** Initial disability claims average processing time (days). We exceeded our goal. This indicator is Key Performance Indicator 5 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 32 for a detailed discussion.

**Performance Indicator 3:** DDS allowance performance accuracy rate.

**FY 2002 Performance Discussion:** We exceeded this goal because SSA and the DDSs continue to focus on achieving a high level of quality on both allowance and denial decisions. Ongoing training initiatives that foster consistent application of laws, regulations and rulings at all stages of the disability adjudication process have been particularly effective in keeping the allowance accuracy rates high.

This performance indicator will be discontinued in FY 2003 and will be incorporated into a more meaningful performance indicator “DDS net accuracy rate (allowances and denials combined)”. Net accuracy is a truer measure of the correctness of DDS decision-making and, therefore, provides the public with a more accurate picture of the correctness of initial disability claims decisions. We expect to maintain high levels of adjudication quality.

Year	Goal	Actual
1999	N/A	96.5%
2000	N/A	97%
2001	96.5%	96.8%
2002	96.5%	97.1%

**Data Definition:** The allowance accuracy rate is the estimated percentage of initial disability allowances that do not have to be returned to the DDSs for development of additional documentation or correction of the disability determination.

**Data Source:** Annual Disability Quality Assurance Reports.

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**Performance Indicator 4:** DDS net allowance accuracy rate.

**FY 2002 Performance Discussion: Data not yet available.** Actual FY 2002 performance for this indicator will not be available until January 2003 and will be reported in the FY 2003 APR. We expect to meet this goal because SSA and the DDSs continue to focus on achieving a high level of quality on both allowance and denial decisions. Ongoing training initiatives that foster consistent application of laws, regulations and rulings at all stages of the disability adjudication process have been particularly effective in keeping the allowance accuracy rates high.

This performance indicator will be discontinued in FY 2003 and will be incorporated into a more meaningful performance indicator “DDS net accuracy rate (allowances and denials combined)”. Net accuracy is a truer measure of the correctness of DDS decision-making and, therefore, provides the public with a more accurate picture of the correctness of initial disability claims decisions. We expect to maintain high levels of adjudication quality.

Year	Goal	Actual
1999	N/A	98.0%
2000	N/A	98.4%
2001	N/A	98.3%
2002	98%	N/A

**Data Definition:** The net allowance accuracy rate is the estimated percentage of initial disability allowances that 1) do not have to be returned to the DDSs for development of additional documentation or correction of the disability determination, or 2) after having been returned to the DDSs for additional documentation are still allowances.

**Data Source:** Annual Disability Quality Assurance Reports.

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**Performance Indicator 5:** DDS denial performance accuracy rate. **We did not meet our goal. This indicator is Key Performance Indicator 6 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 32 for a detailed discussion.**

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**Performance Indicator 6:** DDS net denial accuracy rate.

**FY 2002 Performance Discussion: Data not yet available.** Actual FY 2002 performance for this indicator will not be available until January 2003 and will be reported in the FY 2003 APR. We do not expect to meet this goal even though SSA and the DDSs continue to focus on achieving a high level of quality on both allowance and denial decisions, through ongoing training that fosters consistent application of laws, regulations and rulings at all stages of the disability adjudication process. The DDSs were under considerable pressure to keep cases moving, and this resulted in less than the desired level of development, which impacted accuracy rates over the past several years. This pressure particularly affected denial accuracy because of the additional documentation requirements that must be met.

This performance indicator will be discontinued in FY 2003 and will be incorporated into a more meaningful performance indicator “DDS net accuracy rate (allowances and denials combined). Net accuracy is a truer measure of the correctness of DDS decision-making and, therefore, provides the public with a more accurate picture of the correctness of initial disability claims decisions. We expect to maintain high levels of adjudication quality.

Year	Goal	Actual
1999	N/A	95.8%
2000	N/A	95.2%
2001	N/A	94.7%
2002	96.2%	N/A

**Data Definition:** The net denial accuracy rate is the estimated percentage of initial disability denials that: 1) do not have to be returned to the DDSs for development of additional documentation or correction of the disability decision, or 2) after having been returned to the DDSs for additional documentation are still denials.

**Data Source:** Annual Disability Quality Assurance Reports.

**Performance Indicator 7:** Implement activities necessary to have the software and infrastructure in place for electronic processing of disability claims.

**FY 2002 Goals:**

1. **Develop rules for a paperless business process, requirements/infrastructure for the electronic folder (EF) and requirements to interface the EF with the legacy systems used to process disability claims;**
2. **Develop requirements and a systems solution for the Office of Hearings and Appeals (OHA) case processing system;**
3. **Develop a strategy for electronic forms and integration with the EF and procure a tool;**
4. **Establish policies/procedures for electronic signatures (internal and external requirements) and the policies necessary to make the EF the official Agency record; and**
5. **Develop infrastructure for electronic medical evidence and integration with the EF.**

**FY 2002 Performance Discussion:** We partially met this multi-part goal. In March 2002, SSA made a decision to accelerate the Electronic Disability Claims Process Project, now called Accelerated eDib (AeDib). The Agency has gone from a 7-year schedule to a 22-month schedule. By January 2004, the Agency has committed to have in place a foundational infrastructure for electronic initiation and processing of a disability claim, from the point of filing through adjudication. That will then allow us to roll out the application to field and hearing offices, Disability Determination Services, and other support organizations over an eighteen-month period.

In the Agency's acceleration of this effort, we revised our strategy in relation to our FY 2002 performance goals. With the revised strategy, the sequencing of developmental tasks changed, thus leaving some of the FY 2002 performance goals, as established in our Revised Final FY 2002 Annual Performance Plan (APP), partially met. However, we achieved all our FY 2002 milestones in our revised strategy which will enable us to meet our January 2004 implementation target.

Following is a summary of our FY 2002 performance relative to the Revised Final FY 2002 APP performance goals.

Goal 1: We completed the business process description in FY 2002. As the electronic folder requirements are finalized, we will document the legacy system interface requirements. Since the electronic folder requirements and design have not been finalized, we were unable to document the legacy system interface requirements. We do expect to complete those activities in FY 2003. We are on target to complete the remaining two pieces of this goal in early FY 2003.

Goal 2: We met the goal by documenting the hearings and appeals business process and completing the Project Scope Agreement for the hearings and appeals Case Processing and Management System.

Goal 3: We developed a strategy for electronic forms. We procured an electronic forms (eForms) development tool and are in the process of training systems developers to use the tool. As the requirements/infrastructure for the electronic folder are finalized (Milestone 1) we will complete the documentation of the eForms interface requirements. We are on target to accomplish this milestone in early FY 2003.

Goal 4: We developed and published policies and procedures for using electronic signatures in the disability process. We are working with the National Archives and Records Administration (NARA) to prepare documentation (SF-115) to establish the electronic folder as the Agency's official record. However, the documentation cannot be completed until the systems requirements and specifications for the electronic folder have been established (Milestone 1), which will happen in FY 2003. In the interim, we have verified that SSA does have the authority under existing records schedules (NARA 47-88-2, NARA 47-00-02 and the General Records schedule GRS-20) to use the new electronic disability folder as the Agency's official record until the documentation is formally submitted. This interim authority keeps us on track to deliver AeDib on time.

Goal 5: We documented that business process and policy requirements of the secure transport of medical evidence and have several pilots underway that are testing various methodologies. The final design elements for the infrastructure are being developed and we expect to incorporate them into the AeDib plans early in FY 2003. We will also design an infrastructure that will accommodate multiple entry mechanisms for the transportation of medical evidence in a security environment. A secure infrastructure is critical to achieving benefits from the electronic transmission of medical information, a key component of AeDib.

**Data Definition:** Develop the requirements and strategy for implementing a paperless disability process, with an electronic folder.

**Data Source:** Office of Systems 5-Year Plans.

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**Performance Indicator 8:** DDS net decisional accuracy rate. (Note: This indicator was used in FY 2001, but data was not available for the FY 2001 PAR, so it is being reported here. As explained in the FY 2001 PAR, the indicator was discontinued in FY 2002.)

**FY 2001 Performance Discussion:** We did not meet this FY 2001 goal even though SSA and the DDSs continue to focus on achieving a high level of quality on both allowance and denial decisions, through ongoing training that fosters consistent application of laws, regulations and rulings at all stages of the disability adjudication process. The DDSs were under considerable pressure to keep cases moving, and this resulted in less than the desired level of development, which impacted accuracy rates. This pressure particularly affected denial accuracy because of the additional documentation requirements that must be met.

Year	Goal	Actual
1998	N/A	96.2%
1999	N/A	96.7%
2000	97%	96.4%
2001	97%	96.2%

**Data Definition:** This indicator measures the percentage of correct decisions issued by the State DDSs, both allowances and denials. The DDS net decisional accuracy of disability claims – both DI and SSI – reflect the percentage of correct initial determinations – both allowances and denials – issued by the State.

**Data Source:** Annual Disability Quality Assurance Reports.

*Strategic Objective 6: Improve the accuracy, timeliness, and efficiency of service to people requesting hearings or appeals. Specifically by 2005:*

- *Increase current levels of accuracy of hearings decisions to 90%;*
- *Issue hearings decisions in an average of 166 days, with at least 70% issued within 180 days;*
- *Increase productivity to 122 hearings decisions issued per WY;*
- *Have the capacity to take 99% of hearings requests in an electronic environment;*
- *Issue decisions on appeals of hearings within an average of 90 days, with at least 70% issued within 105 days; and*
- *Increase productivity to 323 Appeals Council reviews per WY*

**Performance Indicator 1:** Percent of hearing decisions issued within 180 days from the date the request is filed.

**FY 2002 Performance Discussion:** **This goal was not met.** The steady rise in the overall number of cases pending and the number of cases pending with each Administrative Law Judge (ALJ) has hindered efforts to achieve both the overall processing time and the 180-day targets. With the number of cases pending at the hearing level increased almost 65,000 cases this FY, our progress may not improve in the near-term despite a focused effort to achieve these targets. Nevertheless, it is noteworthy that our level of service has not declined in the sense that the number of hearing decisions issued within 180 days has not declined. Through September 2002, OHA processed almost 94,000 cases (17.4 percent), within 180 days, an increase of 3,500 cases over FY 2001.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

Year	Goal	Actual
1999	N/A	26%
2000	N/A	28.4%
2001	20%	19.4%
2002	20%	17.6%

**Data Definition:** Beginning FY 2001, this performance indicator represents the actual percent of Medicare and SSA case dispositions issued during the particular report period in which the elapsed time from the date of the request for hearing to the disposition date was 180 days or less. (This measure does not include the time required by field offices, program service centers, or the Office of Central Operations to process favorable decisions).

**Data Source:** Actual performance is reported in the OHA Monthly Activity Report (MAR), derived from the Hearings Office Tracking System (HOTS).

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**Performance Indicator 2:** Hearings average processing time (days). **We did not meet our goal. This indicator is Key Performance Indicator 7 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 33 for a detailed discussion.**

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**Performance Indicator 3:** OHA decisional accuracy rate.

**FY 2001 Performance Discussion: Data not yet available.** However, we expect to meet our FY 2001 hearings decisional accuracy goal of 88 percent due to the steps we undertook in FY 2001 to enhance the quality of our adjudication. These steps include continuing ALJ participation with quality reviews of hearings decisions, ALJ involvement in the preeffectuation reviews of allowances, and ongoing training activities. Actual FY 2001 data will not be available until September 2003, as we report biennially. We will report actual FY 2001 data in the FY 2003 PAR.

**FY 2002 Performance Discussion: Data not yet available.** However, we expect to meet our FY 2002 hearings decisional accuracy goal of 89 percent due to our continuing efforts to enhance the quality of our adjudication. These steps include continuing ALJ participation with quality reviews of hearings decisions, ALJ involvement in the preeffectuation reviews of allowances, and ongoing training activities. We will continue to work toward improving our OHA decisional accuracy rate. Actual FY 2002 data will not be available until September 2003. We will report actual FY 2002 data in the FY 2003 PAR.

Year	Goal	Actual
1999	85%	88%
2000	87%	88%
2001	88%	N/A
2002	89%	N/A

**Data Definition:** The decisional accuracy of hearings is the percent of disability hearing decisions—both favorable and unfavorable—supported by “substantial evidence.” This is the standard used by the Federal Courts to evaluate accuracy of decisions, and by the Appeals Council in determining which hearing decisions to review.

**Data Source:** Annual Disability Hearings Quality Review Process Peer Review Reports.

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**Performance Indicator 4:** Implement activities necessary to have the software and infrastructure in place for electronic processing of hearings and appeals.

**FY 2002 Goals: Implement the following software, 1) Modernized Supplemental Security Income Claims System (MSSICS) will support field-office entry of requests for Hearings and Appeals; and 2) Provide Web-based query access to consolidated Hearing Office Tracking System (HOTS) database, which includes the request for hearing.**

**FY 2002 Performance Discussion:** SSA is currently working to enhance disability processing by moving claims adjudication, from initial intake through the appeals process, to a fully electronic business process through the use of

an electronic disability folder. At SSA, this initiative is known as Accelerated eDIB (AeDIB). In FY 2002, we aimed to achieve critical milestones to support the electronic processing of hearings and appeals.

**We met goal 1.** Achievement of this goal is a key step toward enabling appeals of Supplemental Security Income claims, which were filed electronically via SSA’s Modernized Supplemental Security Income Claims System (MSSICS), to be available for electronic processing of hearings and appeals. When AeDib is implemented in CY 2004, the additional components needed for electronic processing of hearings and appeals will be available.

**We met goal 2 in July 2001**, allowing requests for hearings and appeals to be entered electronically on SSA records.

**Data Definition:** Goal 1 will be met if we develop, test, validate and implement Title XVI Appeals. Goal 2 will be met if we develop, test, validate, and implement access to the Consolidated HOTS Query.

**Data Source:** Office of Systems 5-Year Plans.

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**Performance Indicator 5:** Number of hearing cases processed per workyear.

**FY 2002 Performance Discussion:** **We met and exceeded this goal** because we made several workflow and hearings process changes, such as, including Administrative Law Judges (ALJs) in early case screening to more quickly identify cases for dismissal and on-the-record decisions; developing a short form for fully favorable decisions from the bench; and expanding the use of technology. Additionally, we received a one-time exemption from pending litigation and were permitted to hire 127 ALJs in early FY 2002. The workflow/process changes and the hiring of ALJs allowed us to improve productivity and process more hearings than originally expected. We expect hearings productivity to continue to improve in FY 2003.

This performance indicator will be discontinued in FY 2003 and will be incorporated into a more comprehensive Agency measure of improved productivity.

Year	Goal	Actual
1999	N/A	98
2000	N/A	97
2001	103	87
2002	91	97

**Data Definition:** This indicator was revised effective FY 2001 to represent the average number of hearings cases processed per “direct” workyear expended. A direct workyear represents actual time spent processing cases. It does not include time spent on training, ALJ travel, leave, holiday, etc.

**Data Source:** OHA Monthly Activity Reports and the HOTS.

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**Performance Indicator 6:** Percent of decisions on appeals of hearings issued by the Appeals Council within 105 days of the appeals filing date.

**FY 2002 Performance Discussion:** **We did not meet this goal.** We have been working to reduce the time required by the Appeals Council to process requests for review of hearings decisions. Although we saw improvement in our performance in FY 2002, we did not meet this goal due to several factors primarily due to a



lower than anticipated volume of receipts. Receipts include relatively easier, quick turnaround cases, which contribute to the total number of decisions processed within 105 days of the appeals filing date. Insufficient new receipts were not available to counterbalance the aged and pre-development cases to meet the goal.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused and outcome-based.

Year	Goal	Actual
1999	N/A	N/A
2000	N/A	N/A
2001	20%	12.2%
2002	35%	27%

**Data Definition:** Effective FY 2001, this performance indicator represents the actual percent of case dispositions issued during the report period in which the elapsed time from the date of the request for review to the disposition date was 105 days or less.

**Data Source:** Actual processing time for each case is maintained by the Appeals Council Automated Processing System (ACAPS). Percentages will be calculated from information extrapolated from ACAPS.

**Performance Indicator 7:** Average processing time for decisions on appeals of hearings issued (days).

**FY 2002 Performance Discussion: We did not meet this goal for several reasons.** We have been working to reduce the time required by the Appeals Council to process requests for review of hearings decisions. Although we saw improvement in average processing time in FY 2002, we did not meet this goal due to several factors:

- The number of receipts by the Council was considerably less than anticipated, and these new receipts include significant numbers of relatively easier, quick turnaround cases, which take fewer days to process.
- The number of new cases ready to work upon receipt is not yet at a level to counterbalance the impact of already existing large numbers of aged cases and those requiring pre-development actions in order to reach the targeted goal.
- The Council is working to work down its backlog of aged cases; these cases take more days to process.

The Council has partnered with other components to reduce internal delays in receiving request for reviews and files. Instructions have been issued to expeditiously retrieve missing files and process cases involving subsequent applications. We streamlined pre-developmental work by: obtaining temporary help to assist with processing exhibit requests; developing the HFAX form, which eliminates the need to provide representatives with copies of exhibits and tapes in some cases and convening a task force to process aged cases. These initiatives should better position us to attain the FY 2003 goal.

Year	Goal	Actual
1999	N/A	458
2000	N/A	505
2001	285	447
2002	285	412

**Data Definition:** Effective FY 2001, this performance indicator represents the 12-month average processing time for dispositions issued during the report period. Processing time begins with the date of the request and ends with the disposition date.

**Data Source:** Actual processing time for each case is maintained by the ACAPS. Percentages will be calculated from information extrapolated from ACAPS.

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**Performance Indicator 8:** Number of decisions on appeals of hearings issued per workyear.

**FY 2002 Performance Discussion: We did not meet our goal.** In FY 2002, our challenge was to increase productivity in spite of lower than anticipated receipts and the continued Appeals Council emphasis on processing of time-consuming, complex, aged cases. The Council took action to increase the pool of ready to work cases, by emphasizing the processing of pre-developmental actions, but this initiative did not have sufficient effect to improve productivity. We anticipate, however, that our efforts will position us to improve productivity in FY 2003.

This performance indicator will be discontinued in FY 2003 and will be incorporated into a more comprehensive Agency measure of improved productivity.

Year	Goal	Actual
1999	N/A	231
2000	N/A	284
2001	262	241
2002	279	219

**Data Definition:** Effective FY 2001, this indicator represents the average number of decisions on appeals of hearings processed per “direct” workyear expended. A direct workyear represents actual time spent processing cases. It does not include time spent on training, leave, holiday, etc. Decisions on appeals of hearings exclude decisions on new court cases, court remands, and quality assurance reviews.

**Data Source:** Appeals Council Case Control System and Appeals Council Automated Processing System

*Strategic Objective 7: By 2007, increase by 100% from 1999 levels, the number of SSDI and SSI disability beneficiaries who achieve steady employment and no longer receive cash benefits.*

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**Performance Indicator 1:** Percent increase in the number of DI adult worker beneficiaries who begin a trial work period (TWP).

**FY 2001 Performance Discussion: We did not meet this goal.** In fact, the number of disabled (DI) adult worker beneficiaries who began a trial work period declined by 52.2 percent in calendar year (CY) 2001. (Note: This measure is a count of increased work activity during a CY, not a fiscal year.) Our CY 2001 goal was to increase the number of individuals working at this level by 5 percent over the FY 2000 level. For 2001, this equated to 15,528 trial work period (TWP) starts. We fell short of that target, with actual trial work period starts at 7,713 in CY 2001. Several factors may have a role in causing the numbers to fall from CY 2000 to CY 2001. First, disabled beneficiaries face many barriers to employment, many of which are not affected by SSA's programs, such as insufficient education and training or lack of full understanding of the productive capacity of people with disabilities

by employers. Also, while we hope that the Ticket to Work program eventually has a significant impact on return-to-work among beneficiaries, the Congress clearly understood that it would take several years for the comprehensive program of policy changes and new job support services contained in the Ticket to Work and Work Incentives Improvement Act to achieve their full impact. Most of the policy changes and new structures were in start-up or development phases during 2001.

**FY 2002 Performance Discussion: Data not yet available.** We measure the number of disabled adult beneficiaries who begin a TWP in a calendar year, as opposed to fiscal year basis. The data is an output of a routine annual computer run of data conducted in January-February of each year. Accordingly, the actual performance numbers for 2002 will not be available until February 2003, and we will report them in the FY 2003 PAR. We expect a shortfall for the reasons stated above regarding 2001 performance and because of external factors that make it difficult for disability beneficiaries to find jobs. Quarterly data on employment of SSI beneficiaries show declines in jobs throughout this fiscal year. We expect similar experience will apply to DI beneficiaries. We continue to promote SSA’s work incentives and, particularly, the Ticket to Work program, in an effort to encourage and support the work activity of disability beneficiaries.

In FY 2003, we are evolving from this indicator to measure “the number of DI beneficiaries who start an Extended Period of Eligibility”. This indicator focuses on work activity that results in benefit savings to the DI trust fund and is more consistent with the outcome that will generate Ticket program savings and payments to Employment Networks.

Year	Goal	Actual
1999	N/A	14,525
2000	10% 17,600	1.8% 14,789
2001	5% 15,528	-52.2% 7,713
2002	5% 8,099	N/A

**Data Definition:** For FY 2000, this indicator represented the annual percentage increase in the number of DI adult worker beneficiaries who begin a trial work period (TWP) during CY 2000, as compared to the base year 1997, in which there were 16,000 TWP starts. Our CY 2000 goal was for a 10 percent increase over the base year performance. Effective FY 2001, this indicator represents the annual percentage increase over the *prior* CY actual level of 14, 789, equivalent to 15, 528 TWP starts. Our CY 2002 goal is a 5 percent increase over CY 2001 actual performance.

**Data Source:** Master Beneficiary Record.

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**Performance Indicator 2:** Percent increase in the number of SSI disabled beneficiaries, aged 18-64, whose payments are reduced because of work (i.e. participating in 1619(a) status).

**FY 2002 Performance Discussion: Data not yet available.** The actual performance numbers for 2002 will not be available until last November 2002, and we will report them in the FY 2003 PAR. We expect not to meet this goal for the reasons stated above for FY 2001 performance and because of external factors that make it difficult for disability beneficiaries to find jobs. We continue to promote SSA's work incentives and, particularly, the Ticket to Work program, in an effort to encourage and support the work activity of disability beneficiaries.

In FY 2003, we are evolving from this indicator to measure "Percent increase in the number of SSI disabled beneficiaries earning at least \$700 per month, whose payments are eliminated because of work (1619(b) status)". This measure focuses on work activity that results in benefit savings to the general revenues and is more consistent with the outcome that will generate Ticket program savings and payments to Employment Networks.

Year	Goal	Actual
1999	N/A	N/A
2000	10% 21,744	25,772
2001	5% 27,061	24,816
2002	5% 26,057	N/A

**Data Definition:** Effective 2001, our goal is a 5 percent annual increase over the prior year's performance in the number of SSI disabled beneficiaries aged 18-64 who are participating in 1619(a), i.e., working at the Substantial Gainful Activity level but still receiving benefits; for FY 2001 the equivalent of 27,061. Our FY 2002 goal is for a 5 percent increase over FY 2001, the equivalent of 28,414. Beginning FY 2003, our goal will be for 10 percent annual increases. In years prior to FY 2001, the indicator represented the annual percentage increase relative to the base year 1997. This Performance Indicator is an interim measure that will be replaced with the long-term Indicator: "Percent increase in the number of SSI disabled beneficiaries who no longer receive benefits due to work (1619(b) status) and have earnings of at least \$700 per month." This new long-term Indicator will be in our FY 2003 Final APP (issued in Spring 2002) and will be effective FY 2003.

**Data Source:** SSI Disabled Recipients Who Work report.

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**Performance Indicator 3:** Activities to implement provisions of the Ticket-to-Work and Self-Sufficiency Program (TWSSP) and other employment strategies.

**FY 2002 Goals: 1) Begin payments to Employment Networks, and 2) Distribute Tickets to beneficiaries in Phase 1 States.**

**FY 2002 Performance Discussion: We met both goals.** Payments to employment networks began. Distribution of tickets to beneficiaries in Phase 1 States started in February 2002 and continued through the remainder of the fiscal year. Tickets were issued in the 13 Phase 1 States on a graduated basis month by month over 5 months, starting in February 2002. Early claims for outcome and milestone payments by employment networks started arriving in June and the first several have been allowed and paid. We expect that our experience with Phase 1 states

will make the process with Phase 2 and Phase 3 States more smooth and efficient. We continue to implement the Ticket to Work program in an effort to encourage and support the work activity of disability beneficiaries.

**Data Definition:** This indicator represents the milestones in implementing provisions of the TWSSP and other employment strategies.

**Data Source:** New data system being developed to allow SSA to administer the Ticket-to-Work program.

*Strategic Objective 8: Improve or maintain the accuracy, timeliness and efficiency of processing postentitlement events. Specifically by 2005:*

- *Have the capacity to take and process 99% of PE actions in a paperless environment*

**Performance Indicator 1:** OASDI postentitlement automation rate.

**FY 2002 Performance Discussion: We exceeded our goal.** This goal reflects the actual usage of software by SSA employees to process OASDI postentitlement transactions. The goal was accomplished largely due to the successful implementation of Release 2.1 of Title II Redesign software in September 2001. This release improves workers compensation processing, provides a means for field office employees to input reinstatement actions into the system, and eliminates labor intensive and time-consuming processing by making available on-line, interactive screens that provide immediate editing and feedback to the users and use the new software to process the actions.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused.

Year	Goal	Actual
1999	N/A	N/A
2000	N/A	N/A
2001	N/A	N/A
2002	89%	90.9%

**Data Definition:** The OASDI PE automation rate is the percentage of total OASDI PE transactions that do not create an exception or alert.

**Data Source:** Office of Systems Information Technology Plans, Office of Systems Management Information.

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**Performance Indicator 2:** SSI postentitlement automation rate.

**FY 2002 Performance Discussion: We met our goal.** This goal reflects the actual usage of software by SSA employees to process SSI postentitlement transactions. Increasing the usage of software to process requires training, transition of existing records into the new system, and increased management attention. In addition, processing almost all new SSI claims via the automated MSSCIS system increases the number of records available for automated postentitlement transactions. In FY 2002, we succeeded in increasing usage from 55 percent to 68.4 percent through all these means.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused.

Year	Goal	Actual
1999	N/A	N/A
2000	N/A	N/A
2001	N/A	N/A
2002	68%	68.4%

**Data Definition:** The SSI PE automation usage is the percentage of SSI PE transactions completed using modernized software compared to all SSI transactions.

**Data Source:** Office of Systems Information Technology Plans, Office of Systems Management Information.

*Strategic Objective 9: Maintain through 2005 the accuracy, timeliness and efficiency of service to people applying for Social Security numbers and replacement cards.*

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**Performance Indicator 1:** Percent of original and replacement SSN cards issued within 5 days of receiving all necessary documentation.

**FY 2002 Performance Discussion: We exceeded our goal.** We have exceeded our goal for the past four fiscal years. Field office employees are acutely aware that the timely issuance of a Social Security number constitutes good service because applicants need the SSN for employment, for other Federal, State and local benefits, or because of name changes. We will continue to provide this consistently high level of performance as an indication of our commitment to outstanding service in the issuance of SSN cards.

This indicator will be discontinued in FY 2003 as our performance indicators related to service in support of our new strategic plan will be more focused.

Year	Goal	Actual
1999	97%	99%
2000	97%	99.7%
2001	97%	99.1%
2002	97%	98.4%

**Data Definition:** This percent is the number of original and replacement SSNs issued within 5 days of the date the field office receives all required documentation, divided by the total number of requests. The issuance date is defined as the date of the systems run that assigns the SSN. The data excludes SSNs assigned via the Enumeration-at-Birth process.

**Data Source:** Field Office Social Security Number Enumeration Report.

**Performance Indicator 2:** Percent of SSNs issued accurately.

**FY 2001 Performance Discussion: We did not meet our goal.** We issued 99.6 percent of SSNs accurately. The difference between the 99.8 percent goal and the 99.6 percent accuracy is not statistically significant. To help improve accuracy of the enumeration process, we will continue to issue reminder items and provide Interactive Video Teletraining focused on deficiencies identified in quality review and enumerations studies. We are also considering ways to improve systems processing that will help us prevent SSN applications errors.

**FY 2002 Performance Discussion: Data not available until the end of September 2003.** Actual FY 2002 performance for this indicator will be reported in the FY 2003 PAR.

Year	Goal	Actual
1999	99.8%	99.8%
2000	99.8%	99.7%
2001	99.8%	99.6%
2002	99.8%	N/A

**Data Definition:** The percent of SSNs issued accurately is based on an annual review of a sample of approximately 2,000 SSN applications to verify that the applicant has not been issued an SSN that belongs to someone else, or that multiple SSNs assigned to the same applicant have been cross-referred. The data excludes SSNs assigned via the Enumeration-at-Birth process and major errors identified by the Office of Quality Assurance that do not result in an SSN card being issued erroneously.

**Data Source:** Enumeration Process Quality Review Report.

**Strategic Goal B: To ensure the integrity of Social Security programs, with zero tolerance for fraud and abuse**

*Strategic Objective 1: Beginning 2002 and through 2005, maintain at 99.8% the overpayment and underpayment accuracy based on non-medical factors of eligibility of OASDI payment outlays*

**Performance Indicator 1:** Percent of OASDI payment outlays “free” of overpayments and underpayments (based on non-medical factors of eligibility).

**FY 2001 Performance Discussion: We met and exceeded our goals for payment outlays without overpayments and without underpayments.** For several years, we have continued to maintain this high level of dollar accuracy of OASDI payment outlays.

**FY 2002 Performance Discussion:** FY 2002 data is not available at this time and will be reported in the FY 2003 PAR. We have in place an action plan to continuously improve disability payment accuracy and expect to meet our FY 2002 goals of 99.8 percent for OASDI payments without overpayments and underpayments.

Percent Free of Overpayments		
Year	Goal	Actual
1999	99.8%	99.8%
2000	99.8%	99.9%
2001	99.7%	99.8%
2002	99.8%	N/A

Percent Free of Underpayments		
Year	Goal	Actual
1999	99.8%	99.9%
2000	99.8%	99.9%
2001	99.8%	99.8%
2002	99.8%	N/A

**Data Definition:** Stewardship accuracy is divided into accuracy for payment dollars without overpayments and accuracy for payment dollars without underpayments. The overpayment accuracy is computed by subtracting the overpayment dollars paid for the FY from the dollars paid and dividing the remainder by the dollars paid ((dollars paid – o/p dollars)/dollars paid). This error rate is subtracted from 100 percent to attain the accuracy rate. Similarly, the underpayment accuracy is computed by subtracting the underpayment dollars paid for the FY from the dollars paid and dividing the remainder by the dollars paid ((dollars paid – u/p dollars)/dollars paid). This error rate is subtracted from 100 percent to attain the accuracy rate. Prior to FY 2001, the accuracy of only OASI outlays was included. Effective FY 2001, the non-medical accuracy of DI outlays was added to the measure. The General Accounting Office raised a concern that combining payment accuracy data from the OASI and the DI programs may affect SSA’s ability to sufficiently monitor and manage performance. While the Annual Performance Report combines data from these two programs, stewardship reports continue to include the accuracy of OASI and DI payment outlays separately. We still have data available to discretely monitor and manage performance in both the OASI and the DI programs. For our monitoring and management purposes, there is no danger that the accuracy of each of these programs will be obscured by the GPRA reporting of the combined goal.

**Data Source:** OASDI Stewardship Report. Neither actual nor estimated data are available for FY 2001. The FY 2003 actual performance data will not be available for reporting in the FY 2003 Annual Performance Report (APR) because of the length of time required to gather, validate and analyze the data, and then prepare the final report. These data will be reported in the FY 2004 APR.



*Strategic Objective 2: By 2005, raise to 96% the overpayment accuracy based on non-medical factors of eligibility of SSI disabled and aged payment outlays.*

**Performance Indicator 1:** SSI overpayment and underpayment accuracy rate (including both preventable and unpreventable errors (based on non-medical factors of eligibility)).

**FY 2001 Performance Discussion: We did not meet the overpayment goal and met the underpayment goal.**

While the Agency has focused on initiatives over the past few years to reduce erroneous payments, payment accuracy has not improved. This is because the initiatives have been more effective at detecting error after it has occurred than preventing it. Preventing error is a much more difficult task. This difficulty is due to a number of factors that affect payment accuracy and the interaction among those factors. Prominent among those factors are the complexity of the program and the short timeframes during which the Agency has to obtain accurate information and to take responsive action. The initiatives now being pursued as a part of the Agency's SSI corrective action plan address the major causes of errors and, in the case of wages, the short timeframes available.

**FY 2002 Performance Discussion: Data not yet available.** The actual performance numbers for 2002 will not be available until fall of 2003, and we will report them in the FY 2003 PAR.

Overpayment Accuracy Rate		
Year	Goal	Actual
1999	N/A	94.3%
2000	95%	93.6%
2001	94.7%	92.8%
2002	94.0%	N/A

Underpayment Accuracy Rate		
Year	Goal	Actual
1999	N/A	98.3%
2000	98.8%	98.6%
2001	98.8%	98.6%
2002	98.8%	N/A

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**Performance Indicator 2:** SSI overpayment and underpayment accuracy rate (excluding unpreventable errors (based on non-medical factors of eligibility))

**FY 2002 Performance Discussion:** FY 2002 data is not available at this time and will be reported in the FY 2003 PAR.

Overpayment Accuracy Rate		
Year	Goal	Actual
1999	N/A	94.9%
2000	N/A	94.7%
2001	N/A	93.3%
2002	94.7%	NA

Underpayment Accuracy Rate		
Year	Goal	Actual
1999	N/A	98.4%
2000	N/A	98.6%
2001	N/A	98.8%
2002	98.8%	NA

**Data Definition:** The SSI payment accuracy rate *including both preventable and unpreventable* errors is determined by an annual review of a statistically valid sample of the beneficiary rolls. Separate rates are determined for the accuracy of payments with overpayment dollars and the accuracy of payments with underpayment dollars. The rates are computed by first subtracting the total amount of incorrect payments from the dollars overpaid or underpaid in a fiscal year, and then dividing these dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate. The current measuring system captures the accuracy rate of the non-medical aspects of eligibility for SSI payment outlays.

The SSI payment accuracy rate *excluding unpreventable errors* is determined by an annual review of a statistically valid sample of the beneficiary rolls. Separate rates are determined for the accuracy of payments with overpayment dollars and the accuracy of payments with underpayment dollars. The rates are computed by first subtracting the amount of “unpreventable” incorrect payments from the dollars overpaid or underpaid in a fiscal year, and then dividing these dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate. The current measuring system captures the accuracy rate of the non-medical aspects of eligibility for SSI payment outlays.

**Data Source:** SSI Stewardship report. Neither actual nor estimated data are available for FY 2001. The FY 2003 actual performance data will not be available for reporting in the FY 2003 Annual Performance Report (APR) because of the length of time required to gather, validate and analyze the data, and then prepare the final report. These data will be reported in the FY 2004 APR.

*Strategic Objective 3: To become current with DI and SSI CDR requirements by FY 2002 and remain current thereafter.*

**Performance Indicator 1:** Percent of multi-year CDR plan completed through FY 2002. **We met our goal. This indicator is Key Performance Indicator 8 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 35 for a detailed discussion.**

*Strategic Objective 4: Maintain timeliness and improve accuracy and efficiency in posting earnings data to Agency records. Specifically by 2005:*

- *Increase to 70% the number of employee reports (W-2s) filed electronically*

**Performance Indicator 1:** Percent of wage items posted to individuals’ records by September 30.

**FY 2002 Performance Discussion: We met our goal.** The Actuary provides an estimate of the number of wage reports SSA expects to receive for the tax year. As we near the end of the fiscal year and all received wage reports have been processed or accounted for, the Actuary will usually adjust the estimate accordingly. For Tax Year 2001, the economy slowed and many companies reported fewer wage items to SSA for processing during 2002. We have accounted for everything we received and expect the Actuary will lower the estimate. We fully expect to have achieved our FY 2002 goal. Final actual data will be available for Tax Year 2001 processing in January 2003.

We attribute our achievement in FY 2002 to our effective management, including:

- Improved management information that tracks wage item report submittals;
- Targeting of large submitters to ensure their submittals were processed timely and provide assistance;
- Follow-up on magnetic media returns and corrections earlier in the process; and
- Monitoring of processing problems internally within SSA and between SSA and the employer community.

This indicator will be discontinued in FY 2003 as our performance indicators will emphasize the stewardship aspect of enumeration.

Year	Goal	Actual
1999	98%	92.9%
2000	98%	98.9%
2001	98%	99%
2002	98%	98.6%

**Data Definition:** The percent is the number of prior tax year wage items posted by the end of September, divided by the number of prior tax year wage items posted by the end of the processing year (mid-January). Wage items include W-2s, tips, earnings in excess of taxable maximum wages, etc.

Note: Tracking throughout the year is based on estimates of potential receipts, compared to actual items processed by the posting system. The actual performance reported in SSA’s Annual Performance and Accountability Report is based on the updated estimates compared to the actual items processed. Each year, once all known earnings reports have been received, performance is recalculated based on actual data and shown in the subsequent Annual

Performance Plan. For this reason, the actual FY 2001 performance for this measure has now been updated based on the recalculation using actual data.

**Data Source:** Earnings Posted Overall Cross Total/Year-to-Date System (EPOXY).

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**Performance Indicator 2:** Percent of earnings posted correctly.

**FY 2002 Performance Discussion: We met our goal.** SSA works on an ongoing basis, through its Employer Reporting Service Center (1-800-772-6270) and through its Employer Service Liaison Officers located throughout the country, to respond to questions from employers and third-party filers. These services, combined with SSA's continued efforts to expand electronic wage reporting, should ensure that SSA continues to meet its 99 percent performance goal for the accuracy of posted earnings. Nevertheless, we are not satisfied with the number of W-2 forms that we receive with incorrect Social Security numbers and names, and which cannot be posted to individuals' earnings records. In 2003, we will replace the current indicator with new measures that track our success in reducing the size of the suspense file. Final data on the current indicator will be available for Tax Year 2001 processing in January 2003.

Year	Goal	Actual
1999	99%	99%
2000	99%	99%
2001	99%	99%
2002	99%	99%

**Data Definition:** This is the percent of earnings that SSA is able to post to individuals' records based on a match to a valid name/SSN and the Agency's records. In addition, it reflects the results of a quality assurance review of the accuracy of earnings posted. The computation of this rate is the total earnings processed correctly to individuals' earnings records and Agency records for a tax year, divided by the total earnings reported to SSA for that tax year.

**Data Source:** Earnings Posted Overall Cross Total/Year-to-Date System (EPOXY) and a quality assurance review of the accuracy of posting received reports

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**Performance Indicator 3:** Percent of employee reports (W-2s) filed electronically. **We significantly exceeded our goal. This indicator is Key Performance Indicator 9 in the Performance Goals and Results section of the Management's Discussion and Analysis. Please see page 35 for a detailed discussion.**

**Strategic Objective 5: Through 2005, maintain a level of outstanding debt that is either in a repayment agreement, under appeal or newly detected.**

**Performance Indicator 1:** Outstanding OASDI debt not in a collection arrangement (excluding due process).

**FY 2002 Performance Discussion: We exceeded our goal.** While SSA’s objective in managing the OASDI program is to achieve the highest accuracy rate possible, it is inevitable that some debt will be created because of the dynamics of the programs. Our stewardship responsibilities require that we recover as much of this debt as possible. In FY 2002, 44.4 percent of outstanding OASDI debt was not in a collection arrangement. Our recovery of a substantial amount of OASDI debt was due to our effective use of available debt recovery tools.

Beginning FY 2003, we will restate this indicator as the percent of outstanding OASDI debt in a collection arrangement.

Year	Goal	Actual
1999	N/A	47%
2000	N/A	47%
2001	N/A	46%
2002	47%	44%

**Data Definition:** There are four categories of debt: debts in repayment agreement, debts under appeal, newly detected debts, and debts not being collected. This indicator measures the percent of OASDI debt not being collected out of the universe of all OASDI debt.

**Data Source:** The Recovery of Overpayments, Accounting and Reporting (ROAR) system.

**Performance Indicator 2:** Outstanding SSI debt not in a collection arrangement (excluding due process).

**FY 2002 Goal: 43 percent**

**FY 2002 Performance Discussion: We exceeded our goal.** While SSA’s objective in managing the SSI program is to achieve the highest accuracy rate possible, it is inevitable that some debt will be created because of the dynamics of the program. Our stewardship responsibilities require that we recover as much of this debt as possible. In FY 2002, 37 percent of outstanding SSI debt was not in a collection arrangement. Our recovery of a substantial amount of SSI debt was due to our effective use of available debt recovery tools. For example, we implemented a new, mandatory, cross-program recovery initiative. Phase I of this project selected over 255,000 delinquent SSI debts for mandatory cross-program recovery. The value of the delinquent debts exceeded \$224 million. This money was previously not in a collection arrangement but is currently being collected from the former SSI debtors’ OASDI benefits (i.e., in a repayment agreement). In FY 2002, SSA began referring SSI debts to the Treasury Offset Program (TOP) for collection by administrative offset from other Federal payments and tax refunds, and reporting delinquent SSI debtors to credit bureaus.

Fiscal year 2002 was the first year in which we used this indicator and as such, no historical data is available for the percent of outstanding SSI debt not in a collection arrangement. Beginning FY 2003, we will restate this indicator as the percent of outstanding SSI debt in a collection arrangement.

**Data Definition:** There are four categories of debt: debts in repayment agreement, debts under appeal, newly detected debts, and debts not being collected. This indicator measures the percent of SSI debt not being collected out of the universe of all SSI debt.

Note: Unlike OASDI, we have not yet developed a historical baseline. Accordingly, the goal has been established based upon limited baseline information.

**Data Source:** The Supplemental Security Record (SSR)

***Strategic Objective 6: Aggressively deter, identify and resolve fraud.***

**Performance Indicator 1:** Number of investigations conducted (i.e., closed).

**FY 2002 Performance Discussion: We substantially exceeded our goal.** In FY 2002, we showed a significant increase in the number of Office of the Inspector General’s (OIG) investigations conducted and closed. This increase was attributable to two activities. First is the success of the fugitive felon program, through which the OIG is able to identify fugitive felons for apprehension and payment suspension. Second, the OIG’s participation in homeland security projects under the coordination of the Department of Justice, Offices of the United States Attorney throughout this country resulted in increases in cases opened related to the investigation of the misuse of Social Security numbers by individuals working at airports across the country.

This performance indicator will be discontinued for FY 2003.

Year	Goal	Actual
1999	5,700	7,308
2000	7,600	8,051
2001	8,000	9,636
2002	8,000	11,719

**Data Definition:** Investigations result from allegations that have sufficient information or potential risk to warrant further review or action by a criminal investigator. Investigations are counted as “conducted” when all OIG actions have been completed, i.e., the investigator has presented the facts of the case to a prosecutor or has determined that further action is not warranted due to lack of investigative leads.

**Data Source:** Allegation and Case Investigative System (ACIS).

**Performance Indicator 2:** OASDI dollar amounts reported from investigative activities. **We substantially exceeded our goal. This indicator is Key Performance Indicator 10 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 36 for a detailed discussion.**

**Performance Indicator 3:** SSI dollar amounts reported from investigative activities. **We met and substantially exceeded our goal. This indicator is Key Performance Indicator 11 in the Performance Goals and Results section of the Management’s Discussion and Analysis. Please see page 36 for a detailed discussion.**

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**Performance Indicator 4:** Number of judicial actions reported.

**FY 2002 Performance Discussion:** **We substantially exceed our goal.** The increase in the number of judicial actions can be attributed to our homeland security projects and the fugitive felon program. Working with the Offices of United States Attorney Task Forces, OIG agents have brought charges of Social Security number misuse against 729 individuals. Added to the increased success of fugitive felons apprehended this year, our judicial actions have greatly exceeded expectations.

This performance indicator will be discontinued for FY 2003.

Year	Goal	Actual
1999	1,800	3,139
2000	2,000	2,603
2001	2,500	4,300
2002	2,500	7,315

**Data Definition:** Effective with FY 2002, this performance indicator language was changed from “number of criminal convictions conducted” to “number of judicial actions reported”. The reason for the change is that the actions actually counted in this universe included actions that were broader than the legal definition of a criminal conviction. The change in performance indicator language is a change to clarify the performance measure. Data previously reported remain unchanged. A judicial action is any event during the criminal justice process that causes an individual suspected of committing a crime to be arrested for the crime, or to appear before a judge to enter a plea of guilty, or to face trial before a judge or jury.

**Data Source:** Allegation and Case Investigative System (ACIS).

### Strategic Goal C: To strengthen public understanding of Social Security programs

*Strategic Objective 1: By 2005, 9 out of 10 Americans (adults age 18 and over) will be knowledgeable about Social Security programs in three important areas:*

- *Basic program facts;*
- *Value of Social Security programs; and*
- *Financing Social Security programs*

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**Performance Indicator 1:** Percent of public who are knowledgeable about Social Security issues.

**FY 2002 Performance Discussion:** **No actual performance, comparable to prior year’s data, was measured for FY 2002.** Annual data for FY 1999 through FY 2001 had been measured in the annual PUMS Survey conducted by the Gallup Organization under contract with SSA. PUMS I through III used a 4,000-person sample size to obtain data valid at the national level. In FY 2002, we opted to not conduct that 4,000-personal sample. Instead, in late FY 2001 through early FY 2002, the Gallup Organization, under contract with SSA, conducted a national, one-time survey of 20,000 persons. The results were that 80 percent of those surveyed were knowledgeable about Social Security issues. “Knowledgeable” was defined as responding correctly to 10 out of 14 questions related to basic program facts and the benefits they provide. This larger, one-time national survey provided us with similar, but more useful data than the previous PUMS surveys. The latest survey data showed the variance in knowledge among the 52 areas in which SSA divides the country for service, enabling local SSA managers to understand the educational needs of the people who live in the area they serve and plan better to meet those needs.

We are pleased that 80 percent of adult Americans today know important basic information about the programs and the benefits they provide. Having seen the effectiveness of our public information strategies and with planning for improvements under way, we are certain we will continue to increase public knowledge of Social Security programs. As part of this effort, we are revising our national public education program to align with the Agency’s new strategic plan, and we will be developing a new “knowledge” measure. We will collect baseline data using this new measure in FY 2003.

Year	Goal	Actual
1999	N/A	55%
2000	65%	75%
2001	75%	78%
2002	78%	N/A

**Data Definition:** This is the percent of Americans (adults age 18 and over) determined as “knowledgeable” in the annual PUMS Survey.

**Data Source:** Annual public survey of adults age 18 and over.

**Performance Indicator 2:** Percent of individuals issued SSA initiated Social Security Statements as required by law.

**FY 2002 Performance Discussion: We met our goal of 100 percent.** Social Security Statements are produced and mailed every workday except Federal holidays. Recipients are Social Security number holders age 25 and older who are not yet receiving Social Security benefits and for whom we can obtain a current address. Unless there is unanticipated legislative or other required change that would affect either the content or the format and design of the current *Statement*, we would expect to continue issuing 100 percent of SSA-initiated *Statements* as required by law. SSA will continue to monitor internally issuance of the *Statement* so that we can identify and correct operational issues and ensure ongoing excellent performance. However, because we have never achieved less than 100 percent of our objective in any fiscal year since we began reporting, this indicator has lost its usefulness for external monitoring. Beginning in FY 2003, SSA will no longer report performance on this indicator.

Year	Goal	Actual
1999	100%	100%
2000	100%	100%
2001	100%	100%
2002	100%	100%

**Data Definition:** Self-explanatory. As required by law, in FY 2000 SSA began to issue annual Social Security Statements to all eligible workers age 25 and over. We estimate that we will issue 136 million statements in FY 2003 to meet this requirement, including statements issued upon request.

**Data Source:** Social Security Statement Weekly Summary Report found on the Executive and Management Information System (EMIS).



## Strategic Goal D: To be an employer that values and invests in each employee

*Strategic Objective 1: To recruit, develop, and retain a diverse, well-qualified workforce with the capacity to perform effectively in a changing future environment. Specifically by 2005:*

- *Develop and implement innovative tools and techniques for recruitment and hiring;*
- *Use authorized flexibilities to attract and retain a highly qualified and diverse workforce; and*
- *Continue to enhance quality of work life opportunities for all employees*

**Performance Indicator 1:** Increase the retention rate of new hires.

**FY 2002 Goal:** Establish a baseline retention rate of new hires by September 2002.

**FY 2002 Performance Discussion:** **We met the goal.** A baseline retention rate of 84.3 percent was established in the Office of Human Resources/Office of Workforce Analysis' study. Using this baseline data, we will set annual goals, starting in FY 2003, for percent increases in the retention rate. We will aim to increase the retention rate of new hires using competency-based recruitment tools.

**Data Definition:** This percent is the number of employees hired in a specific year and who then leave SSA within 3-years, divided by the total number of employees hired during that same year.

**Data Source:** Human Resources Management Information System. The study began in FY 2001 and entails identifying new hires, surveying those who left during the first 3 years, and also surveying their supervisors. We will ask them about their reasons for leaving SSA. The new hires that stayed with SSA will also be surveyed. This study will be completed in FY 2002.

**Performance Indicator 2:** Continue to implement the SSA Future Workforce Plan. **This goal was partially met. This indicator is Key Performance Indicator 12 in the Performance Goals and Results section of the Management's Discussion and Analysis. Please see page 38 for a detailed discussion.**

*Strategic Objective 2: To provide the necessary tools, training and continuous learning opportunities to maintain a highly skilled and high-performing workforce. Specifically by 2005:*

- *Provide online training electronically at the desktop to all employees;*
- *Have 1/3 of all employees participating in job enrichment opportunities during each year*
- *Provide 70% of employees the necessary competency-based training needed to maintain technical skills each year; and*
- *Provide 70% of employees the competency-based tools needed to obtain training and skills needed to enhance their job performance and develop their career.*

**Performance Indicator 1:** Develop, test, and implement desktop video nationally.

**FY 2002 Goal:** Develop, test and implement a prototype desktop video in 5 field offices.

**FY 2002 Performance Discussion:** **We met the goal.** Desktop video would assist us to address growing individual training needs while concurrently meeting increased workload demands. In FY 2002, SSA developed, tested, and implemented a prototype for desktop video in 5 field office sites across the country. SSA is now

evaluating data from the pilot and will complete its business case for desktop video in FY 2003 to determine whether and how to proceed with this initiative to provide employees with desktop access to training.

This “milestone-oriented” performance indicator will be discontinued beginning in FY 2003, as our performance indicators related to human capital in support of our new strategic plan will be more outcome-oriented.

**Data Definition:** We will meet this goal if we successfully develop, test and implement a prototype for desktop video in 5 of our field offices in FY 2002; and if we implement desktop video and necessary training in 33 percent of field offices in FY 2003.

**Data Source:** Office of Training records.

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**Performance Indicator 2:** Percent of offices with direct access to Interactive Video Teletraining (IVT).

**FY 2002 Performance Discussion: We met the goal.** SSA has installed IVT in 1176 offices/facilities. That means 78.4 percent of our 1,500 offices have direct access to IVT. We will continue increasing the number of IVT installations in FY 2003. No formal, specific goal has been set for the number of installations but we plan to continue to track IVT installations. Our aim is to enable all our employees to receive training they need without having to travel to other locations. This will allow us to address growing individual training needs while concurrently meeting increased workload demands.

This performance indicator will be discontinued beginning in FY 2003, as our performance indicators related to human capital in support of our new strategic plan will be more outcome-oriented.

Year	Goal	Actual
1999	N/A	N/A
2000	N/A	N/A
2001	67%	57.7%
2002	76%	78.4%

**Data Definition:** This goal for equipping SSA’s offices with IVT has been redefined effective FY 2001. The prior goal was defined as access to IVT in offices within a 30-minute commute. The new indicator is defined as direct access to IVT in each office. Employees will receive the training they need without having to travel to other locations. The net result will be the ability to address growing individual training needs while concurrently meeting increased workload demands.

**Data Source:** Office of Training records.

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**Performance Indicator 3:** Number of job enrichment opportunities in formal management development programs.

**FY 2002 Goal:** Increase the number of openings for job enrichment opportunities in the national Advanced Leadership Program (ALP) and Leadership Development Program (LDP) to 192.

**FY 2002 Performance Discussion:** We met the goal. To maintain a highly skilled, high performing, and highly motivated workforce to achieve our mission, we are providing career development opportunities to our best employees to prepare them for management, leadership and other positions. In FY 2002, we provided 217 job enrichment opportunities in headquarters-based formal management development programs, exceeding the goal by more than 10 percent. In FY 2003, we will continue management and leadership development programs in each SSA region and major headquarters component.

This performance indicator will evolve beginning in FY 2003 to accommodate the training and development needs of all staff in headquarters, component, and regional development programs.

**Data Definition:** The FY 2001 goal focused on ensuring that SSA implemented formal management development programs. The FY 2002 goal is to increase to 192 the number of opportunities that these programs provide.

**Data Source:** Office of Training records.

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**Performance Indicator 4:** Define competencies for technical training and career development and make them available for employee use.

**FY 2002 Goals:** 1) Define competencies for the Claims Representative, Service Representative, Benefit Authorizer, and Teleservice Representative positions; and 2) Develop a competency-based tool to enable employees to identify and obtain information they need about their training and skills development and make it available to 25,000 users.

**FY 2002 Performance Discussion:** We partially met the goal. SSA's initiative is to identify the core knowledge and skill requirements of our key positions, especially those that provide direct service to the public. Once defined, these "competencies" will help employees assess their current level of proficiency and determine their training and development needs. In FY 2002, we completed defining competencies for two key positions: Claims Representative and Service Representative. We are slightly behind schedule for FY 2002 because we have been working concurrently to practically integrate the newly defined competencies into the agency's training courses and materials. We expect to fully complete the definitions of two of our remaining direct service positions, Teleservice Representative and Benefit Authorizer, in FY 2003.

A competency-based tool would enable employees to identify and obtain information they need about their training and skills development. We are investigating available alternatives for SSA use, such as implementing the Office of Personnel Management's online training system that has a built in learning management system component, and benchmarking other similar systems to determine if modifications can be made.

This performance indicator will be discontinued beginning in FY 2003, as our performance indicators related to human capital in support of our new strategic plan will be more outcome-oriented.

**Data Definition:** This goal will be met if we define competencies for specific positions and provide a tool to employees to use to identify and obtain the skills they need.

**Data Source:** Office of Training records.

*Strategic Objective 3: To provide a physical environment that promotes the health and well-being of every employee.*

**Performance Indicator 1:** Percent of employees who are satisfied with overall physical environment, i.e., it is professional, accessible, safe, and secure.

**FY 2002 Goal:** Establish a baseline.

**FY 2002 Performance Discussion:** **We did not meet our goal.** Although we continue to implement the security and environmental programs, we were unable to meet our goal of establishing a baseline because we determined the instrument we had planned to use would not meet the agency's needs.

To ensure the work environment remains professional, accessible, safe and secure, we maintain our program of regular Environmental Health and Safety Comprehensive Assessments, air and water quality sampling and asbestos inspections, all with timely remediation. We are also committed to providing immediate responses to emergencies. We perform security reviews for offices that relocate as well as contact stations and other sites with no prior reviews. In addition we conduct physical security reviews of offices that have not been reviewed during the last three years and implement accepted physical security recommendations.

This performance indicator will be discontinued in FY 2003.

**Data Definition:** Results of an employee survey will determine the level of satisfaction employees have with their overall physical environment. The computation of the satisfaction rate is the number of employees who rate SSA as a satisfactory or very satisfactory place to work, divided by the number of employees responding.

**Data Source:** Biennial Market Measurement Program (MMP) Employee Survey – The MMP Employee Survey pilots continue in FY 2002. Following the pilots, the full-scale MMP Employee Survey will be done in FY 2002. Its results will be used as a baseline that should be available in FY 2002 and targets will be set biennially.

**Strategic Goal E: To promote valued, strong, and responsive social security programs and conduct effective policy development, research, and program evaluation**

*Strategic Objective 1: Promote policy changes, based on research, evaluation and analysis, that shape the OASI and DI programs in a manner that takes account of future demographic and economic challenges, provides an adequate base of economic security for workers and their dependents, and protects vulnerable populations.*

**Performance Indicator 1:** Identification, development, and utilization of appropriate barometer measures for assessing the effectiveness of OASDI programs. **We met our goal. This indicator is Key Performance Indicator 13 in the Performance Goals and Results section of the Management's Discussion and Analysis. Please see page 39 for a detailed discussion.**

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**Performance Indicator 2:** Preparation of analyses and reports on demographic, economic, and international trends and their effects on OASDI programs.

**FY 2002 Goals: Prepare analyses on the following topics:**

1. **The relationship between Social Security and the economy;**
2. **Work and earnings as they relate to Social Security;**
3. **Role of pensions and wealth in providing retirement security; and**
4. **Social Security reforms in other countries.**

**FY 2002 Performance Discussion: We met our goals.** In FY 2002 we completed the following analyses:

(1)--We completed a paper, "Productivity Growth: the Past, the Present, and the Future from a Social Security Perspective." Our Retirement Research Consortium (RRC) also completed a project, "Modeling the Dynamic Macroeconomic Consequences of Social Security Reform."

(2)--We completed a paper, "Labor Force Trends and Future Social Security Benefits," that was presented at a conference sponsored by the Society of Actuaries in June 2002. Researchers at the RRC completed two papers, "Job Search Behavior at the End of the Life Cycle" and "Retirement Expectations Formation Using the Health and Retirement Study."

(3)--We completed a paper, "Lump Sum Pension Distributions: Evidence from the 1991-1993 Panels of the SIPP," that was published in the May 2002 issue of the *Monthly Labor Review*. Researchers at the RRC completed three projects, "Are Americans Saving Enough?", "The Impact of the Growth of Defined Contribution Plans on Bequests," and "The Impact of the Shift from Defined Benefit to Defined Contribution Plans for the Lifetime Allocation of Resources: How Important are Private Pensions for Workers' Retirement Income?"

(4)--SSA supported research by the International Social Security Association on an initiative to assess the coverage gap. In FY 2002, the national reports of the 15 participating countries and the final report were completed. Researchers at the RRC completed two projects, "Reforming Public Pensions: Lessons from Abroad" and "Opting Out from Public Pensions: Lessons from the British Experience."

This indicator will be discontinued in FY 2003.

**Data Definition:** We will consider this goal to be achieved if we prepare analyses and reports as indicated under the goal.

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**Performance Indicator 3:** Preparation of research and policy analyses necessary to assist the Administration and Congress in developing proposals to reform and modernize the OASDI programs. **We met our goal. This indicator is Key Performance Indicator 14 in the Performance Goals and Results section of the Management's Discussion and Analysis. Please see page 40 for a detailed discussion.**

*Strategic Objective 2: Promote policy changes, based on research, evaluation and analyses, that shape the SSI program in a manner that protects vulnerable populations, anticipates the evolving needs of SSI populations, and integrates SSI benefits with other benefit programs to provide a safety net for aged, blind, and disabled individuals.*

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**Performance Indicator 1:** Identification, development, and utilization of barometer measures for assessing the effectiveness of the SSI program.

**FY 2002 Goal:** Update barometer measures and prepare analysis.

**FY 2002 Performance Discussion: We met our goal.** A summary and analysis of barometer measures for the SSI program have been combined with that for the OASDI program. The updated measures and analysis can be found beginning on page 150 of this report.

Although this indicator will be discontinued in FY 2003, we will continue to update and publish the barometer measures.

**Data Definition:** We will consider this goal to be achieved if the Agency issues updated barometer measures with the latest available data and provides analysis of the data. These barometers will be used to help formulate and evaluate options for strengthening the programs.

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**Performance Indicator 2:** Preparation of a report and completion of data collection on the National Survey of SSI Children and Families.

**FY 2002 Goal:** Prepare data files for analysis.

**FY 2002 Performance Discussion: We met our goal.** The purpose of the Childhood Disability Study is to evaluate the effect of the loss of SSI benefits, stemming from provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, on children and their families. It will provide estimates of the number of children who would have been eligible under previous program rules but are not eligible under current rules. It will also provide information on the characteristics of the children affected by the law, including information on family income, the cost of caring for disabled children, the use of SSI benefits, and the availability of other income. We met our FY 2002 goal when we received an edited and weighted data file from our contractor.

This indicator will be discontinued in FY 2003.

**Data Definition:** We will consider this goal to be achieved if the Agency prepares the data files for analysis.

*Strategic Objective 3: Promote policy changes, based on research, evaluation and analyses, that shape the disability program in a manner that increases self-sufficiency and takes account of changing needs, based on medical, technological, demographic, job market, and societal trends.*

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**Performance Indicator 1:** Preparation of a research design to develop techniques for validating medical listings.

**FY 2002 Goal:** Report on the status of developing a validation methodology.

**FY 2002 Performance Discussion: We met our goal.** Our current system for determining eligibility for disability benefits presumes that persons who meet medical listings are severely disabled and unable to work. SSA will develop a methodology to monitor and evaluate our medial listings. SSA has conducted work toward this goal under

a cooperative agreement with the Disability Research Institute (DRI). In FY 2001, the DRI produced preliminary reports reviewing the literature on validation, criteria by which the medical listings could be validated and development of methods by which the criteria may be assessed. In FY 2002, the DRI proposed several alternative conceptual designs for a validation study and prepared a proposal to develop a detailed protocol for assessing whether individuals who meet the listings can or cannot engage in substantial gainful activity for at least one year.

This indicator will be discontinued in FY 2003.

**Data Definition:** Self-explanatory.

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**Performance Indicator 2:** Preparation of reports on results of the National Study on Health Activity.

**FY 2002 Goal:** Report on the status of the main study data collection.

**FY 2002 Performance Discussion: We met our goal.** In FY 2001, analysis of the outcome of a pilot study showed that significant revisions were needed in the study instruments and in the medical examination component. In FY 2002, we made these revisions and conducted a second pilot study under an outside contract. A report of the pilot test results was completed in August.

This study is being discontinued in FY 2003. Although extensive testing of the National Study of Health and Activity developed a workable methodology, we have concluded that the benefits of the survey would not justify the substantial projected costs. Conducting in-person screening in order to ensure an adequate response rate, combined with increasing the sample size to ensure that the findings would be representative, would have resulted in a doubling of costs compared to the original estimate.

This indicator will be discontinued in FY 2003.

**Data Definition:** Self-explanatory.

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**Performance Indicator 3:** Preparation of analyses of alternative return-to-work strategies.

**FY 2002 Goal:** Report on the design and implementation of evaluations and demonstration projects.

**FY 2002 Performance Discussion: We met our goal.** We are evaluating several strategies to encourage return-to-work among persons with disabilities, including a \$1-for-\$2 benefit offset demonstration, an early intervention demonstration, a state partnership initiative and the Ticket-to-Work program. In FY 2002, we conducted work in these areas as follows:

**\$1-for-\$2 Benefit Offset Demonstration**—In August 2002, SSA received an advice report from the Ticket to Work and Work Incentives Advisory Panel. Plans for a national demonstration are currently underway.

**Early Intervention Demonstration**—The DRI, under a cooperative agreement, completed a final report on a design for an early intervention demonstration, and SSA began to develop process pilot projects that will be implemented in FY 2003.

**State Partnership Initiative (SPI)**—In FY 2002, the focus of the SPI was on delivery of services to beneficiaries and on reporting results. The contractor completed an evaluation design and preliminary analysis with available data from the State Partnership projects.

Evaluation of the Ticket-to-Work Program—In FY 2001, SSA awarded a design contract for the evaluation of the Ticket-to-Work Program. In FY 2002, SSA received a final draft from the design contract and prepared a request for proposals to conduct the evaluation.

SSA is developing a structured package of demonstration projects to facilitate the employment of persons with disabilities, including the above demonstrations as well as an employment strategy for youth with disabilities and a demonstration in the mental health area.

This indicator will be discontinued in FY 2003.

**Data Definition:** Self-explanatory.

**Strategic Objective 4: Provide information for decisionmakers and others on the Social Security and Supplemental Security Income programs through objective and responsive research, evaluation, and policy development.**

**Performance Indicator 1:** Percent of users assigning a high rating to the quality of SSA's research and analysis products in terms of accuracy, reliability, comprehensiveness, and responsiveness.

**FY 2002 Goal:** Assess user satisfaction measurement system, and analyze baseline measures and identify steps to be taken to improve satisfaction with research and analysis products.

**FY 2002 Performance Discussion: We met our goal.** Four papers have been prepared. One paper evaluated the user satisfaction measurement system. The response rate of 60 percent was very good for this type of survey. The major weakness is the inability to fully identify the universe of users for SSA's research and analysis products. Missing groups include Internet and library users. The methods used by SSA for identifying users were supported as reasonable by an outside audit and by an outside statistical review. Nevertheless, the audit recommended that the data not be used as a performance measure.

Two papers analyzed baseline results--the final report of the contractor who conducted the survey, and a more detailed study that will be published in a forthcoming issue of the *Social Security Bulletin*. A fourth paper analyzed recommendations for improvement. The largest number of recommendations related to producing more analytical or statistical products, with the most frequent responses being in the areas of disability and disability-related work incentives. Additionally, there were recommendations for improving the website.

This indicator will be discontinued in FY 2003.

**Data Definition:** This goal will be considered achieved if the agency prepares an analysis of the customer satisfaction measurement system and of the baseline measures and identifies steps to be taken to improve satisfaction with SSA's research and analysis products.

**Performance Indicator 2:** Percent of major statistical products that are timely.

**FY 2002 Goal:** Produce major statistical products on schedule.

**FY 2002 Performance Discussion: We met our goal.**

Each year, we identify major statistical products and establish a production schedule, with the goal of producing all products on time. In 2002, we identified five products and issued a schedule for release of these publications. *Fast Facts and Figures About Social Security*, *Income of the Aged Chartbook*, *Income of the Population 55 or Older*, and



*SSI Annual Statistical Report* were posted on the Internet and published on time. The *Annual Statistical Supplement* was published on time in January 2002. A waiver was obtained to post this publication in PDF format on the Internet while we work to make the tables conform to requirements for accessibility by the visually impaired.

This indicator will be discontinued in FY 2003.

**Data Definition:** This goal will be considered achieved if the Agency identifies major statistical products, issues a schedule for the release of these publications, and produces them on schedule.

### **Selected Budgeted Workloads in Support of Strategic Goals**

The selected budgeted workloads, shown below, are major categories of our work that provide service to the public and/or ensure the integrity of our programs. These substantial day-to-day base workloads are the largest factor driving overall SSA administrative resource needs. Displayed below are the workloads we expected to process in FY 2002, and what we actually processed in FY 2002.

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#### **Workload 1: RSI Claims Processed**

**FY 2002 Performance Plan: 3,107,000**

**FY 2002 Actual: 3,265,473.** We processed more than the projected workload of Retirement and Survivors Insurance (RSI) claims.

**Performance Discussion:** One of SSA's key ongoing operational responsibilities is to process the RSI claims it receives. Each year we estimate the RSI claims workload that we expect to receive based on actuarial estimates, prior years' claims receipts, legislative or policy changes, and other factors. The projected workload for FY 2002 was very close to the actual number of RSI claims processed.

The number of RSI claims received and processed in FY 2003 and subsequent years will depend in large part on the number of people who are ready to retire and file, and the number of wages earners who die and leave eligible survivors. For FY 2003, we currently estimate our RSI claims workload at 3,229,000.

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#### **Workload 2: SSI Aged Claims Processed**

**FY 2002 Performance Plan: 155,400**

**FY 2002 Actual: 167,900.** We processed more than the projected workload of Supplemental Security Income (SSI) aged claims.

**Performance Discussion:** One of SSA's key ongoing operational responsibilities is to process the SSI claims it receives. Each year we estimate the SSI claims workload we expect to receive based on actuarial estimates, prior years' claims receipts, legislative or policy changes, and other factors. The projected workload for FY 2002 was somewhat less than the actual number of SSI aged claims processed.

In the absence of new legislation, the number of SSI aged claims is entirely dependent on the number of people who file a claim and who meet citizenship, income and resource requirements. For FY 2003, we currently estimate our SSI aged claims workload at 157,100.

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### **Workload 3: Initial Disability Claims Processed**

**FY 2002 Performance Plan: 2,191,000**

**FY 2002 Actual: 2,376,572.** We processed more initial disability claims than projected.

**Performance Discussion:** We were able to process more than the estimated number of initial disability claims because we reallocated funds to the State DDS budget to enable the DDSs to increase case processing capacity to address the higher receipts. By processing more initial disability claims with the help of additional funding, the growth of backlogged disability claims has slowed and the DDSs are better positioned to meet future processing targets. Future disability claims processing targets are based on past performance and future actuarial projections and, with sufficient funding, should be met.

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### **Workload 4: Initial Disability Claims Pending**

**FY 2002 Performance Plan: 695,000**

**FY 2002 Actual: 592,692.** Fewer claims were pending than projected.

**Performance Discussion:** More initial disability claims were processed than projected, which allowed the DDSs to make substantial progress in reducing the volume of claims pending. By reducing the pending more than had been estimated in FY 2002 through additional funding, the growth of backlogged disability claims was slowed and the DDSs are better positioned to meet future processing targets. Future disability claims processing projections are based on past performance and future actuarial projections and, with sufficient funding should be met.

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### **Workload 5: Hearings Processed**

**FY 2002 Performance Plan: 490,000**

**FY 2002 Actual: 532,106.** We processed more hearings than projected.

**Performance Discussion:** Two major factors contributed to our processing more hearings than projected in FY 2002. First, we instituted several hearings workflow and process changes, including 1) elimination of the requirement that cases be certified for hearing; 2) elimination of the mandatory rotation of staff among various duties; 3) enhanced early case screening and analysis; 4) the creation of two new positions to improve the front-line service in hearing offices; and 5) implementing a short form fully-favorable decision format. Second, we received a one-time exemption from pending litigation and were able to hire 127 Administrative Law Judges (ALJs) in October 2001.

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### **Workload 6: Hearings Pending**

**FY 2002 Performance Plan: 537,000**

**FY 2002 Actual: 500,757.** Fewer hearings were pending at the end of FY 2002 than projected.

**Performance Discussion:** Fewer hearings were pending at the end of FY 2002 because more hearings were processed than projected. See “Workload 5”, Hearings Processed, directly above for a full explanation of hearings processed in FY 2002.

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**Workload 7: SSN Requests Processed****FY 2002 Performance Plan: 17,132,400****FY 2002 Actual: 17,679,490.** We processed more SSN requests than projected.

**Performance Discussion:** One of SSA's key ongoing operational responsibilities is to process the requests it receives for original or duplicate Social Security numbers (SSNs). Each year we estimate the SSN request workload that we expect to receive. The number of SSNs processed in a year is entirely dependent on the number of people who need a new or replacement SSN, and who meet citizenship or residency requirements.

We processed SSNs in excess of the budgeted number. We allotted sufficient administrative resources in FY 2002 to process the workload. In FY 2003, we expect to process 16,000,000 SSN requests.

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**Workload 8: 800-Number Calls Handled****FY 2002 Performance Plan: 61,100,000****FY 2002 Actual: 51,800,000.** We handled fewer calls than projected.

**Performance Discussion:** In FY 2002, we handled fewer 800-number calls because we received fewer than the expected number of 800-number calls. This was due to several factors:

- Increased usage of the Internet by potential callers has resulted in fewer calls;
- Calls resulting from the ongoing mailings of the Social Security Statement have diminished; and
- Enhancements to the 800-number make it unnecessary for citizens to redial, including automated menu features that enable citizens to select another service (including agents), and improvements to the network that allow us to answer more calls on the initial attempt and increase the access rate.

Our ability to handle the 800-number calls we receive each year is a key factor in our continued ability to process our work in these times of increasing workloads, evolving customer demands and preferences, and limited staffing. Processing this day-to-day workload requires a major portion of our annual administrative resources and continued enhancements of services available on our 800-number. In FY 2003, we expect to receive and handle 55,000,000 800-number calls.

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**Workload 9: Other Appellate Actions<sup>1</sup>****FY 2002 Performance Plan: 979,900****FY 2002 Actual: 923,636.** We processed fewer appellate actions than projected.

**Performance Discussion:** We processed the receipts we received. Since receipts were lower than projected we processed fewer items than estimated.

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<sup>1</sup>Includes reconsiderations, reviews before council, court cases, and court remands.

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## **Workload 10: Periodic Continuing Disability Reviews (CDRs) Processed**

**FY 2002 Performance Plan: 1,397,000**

**FY 2002 Actual: 1,586,091.** We processed more CDRs than projected.

**Performance Discussion:** SSA conducts very effective periodic reviews called continuing disability reviews to determine whether individuals receiving disability have medically improved and no longer meet the statutory definition of disability, and therefore should have their disability benefits terminated. SSA's annual targets for FY 1996 through FY 2002 were set in accordance with our 7-year CDR plan. The goal of that 7-year plan was for SSA to process its entire backlog of CDRs by FY 2002, and then to keep current with processing this critical workload. Congress provided special funding to SSA to process our 7-year plan workload.

In FY 2002 we processed more than the projected number of CDRs with the special funding and by undertaking initiatives to enhance the efficiency and integrity of CDR processing. These initiatives included improving our ability to identify factors that may indicate that a beneficiary has medically improved. We use these factors in a profiling process to determine the type of CDR path a case should follow: either a full medical review or an abbreviated process using a CDR mailer questionnaire. In FY 2003 we expect to process 1,380,000 CDRs and remain current, provided sufficient funding is received.

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## **Workload 11: SSI Non-Disability Redeterminations Processed**

FY 2002 Performance Plan: 2,255,000

**FY 2002 Actual: 2,311,499.** We processed more redeterminations than projected.

**Performance Discussion:** Supplemental Security Income (SSI) non-disability redeterminations are periodic reviews of eligibility conducted to ensure that a recipient is still eligible and that the recipient is receiving the correct amount of SSI benefits. Redeterminations focus on the income and resource factors affecting eligibility and payment amounts. This is a cyclical workload with most cases released for processing early in the fiscal year, followed by smaller monthly releases. SSA controls the number of scheduled redeterminations to be released each year, but recipients may also initiate unscheduled redeterminations when they report changes in income, resources and living arrangements.

SSA has increased the number of budgeted redeterminations to be released in FY 2003 to 2,455,000 as they have been shown to cut the incidence of improper payments substantially.

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## **Workload 12: Annual Earnings Items Processed**

**FY 2002 Performance Plan: 271,800,000**

**FY 2002 Actual: 266,777,009.** We processed fewer earnings items than projected because companies reported fewer wage items to SSA in FY 2002.

**Performance Discussion:** Annual earnings items reflect the total number of paper annual wage items processed through the balancing operation plus the total number of magnetic media and self-employment items posted for a given fiscal year. We attribute our achievement in FY 2002 to our continued pursuit of several effective initiatives, including:

- Improved management information that tracks wage item report submittals;
- Targeting of large submitters to ensure their submittals are processed timely and provide assistance as needed;

- Follow-up on magnetic media returns and corrections earlier in the process; and
- Monitoring of processing problems internally within SSA and between SSA and the employer community.

In FY 2003, we expect to process approximately 260,000,000 earnings items.

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**Workload 13: Representative Payee Actions**

**FY 2002 Performance Plan: 7,006,500**

**FY 2002 Actual: 7,117,014** We processed slightly more representative payee actions than projected.

**Performance Discussion:** The number of representative payee actions consists of two workloads: the number of representative payee applications and the number of representative payee accountings processed. SSA has little control over the number of applications received, and therefore needing to be processed, because we cannot accurately predict the number of beneficiaries that will need representative payees in any given year. This also impacts the number of payee accountings released for processing.

SSA's continued intention is to process all the applications received and accountings released for processing in a given year. In FY 2003, we expect to process approximately 6,551,400 representative payee actions.

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**Workload 14: Overpayment Actions**

**FY 2002 Performance Plan: 3,064,900**

**FY 2002 Actual: 3,619,392.** We processed more overpayment actions than projected.

**Performance Discussion:** Overpayments generally occur because some recipients fail to report changes in their circumstances, such as increased earnings, that makes them ineligible for payments they have already received. The number of overpayment actions cleared in a year depends upon how many people are overpaid. In FY 2003, we expect to process approximately 2,433,500 overpayment actions.

## President's Management Agenda

The President's Management Agenda (PMA), announced in the summer of 2001, is an aggressive strategy for improving the management of the Federal government. It identifies and focuses on government-wide initiatives that are intended to work together as a mutually reinforcing set of reforms. The initiatives are:

1. Strategic Management of Human Capital;
2. Competitive Sourcing;
3. Improved Financial Performance;
4. Expanded Electronic Government; and
5. Budget and Performance Integration.

In FY 2002, we made progress in supporting the PMA initiatives by implementing specific improvements and by working toward establishing the needed infrastructure for future improved performance. We developed multiyear plans for achieving the goals of the PMA. We also began to incorporate the PMA initiatives into our strategies for achieving SSA's mission and strategic goals.

The Administration uses a PMA scorecard to rate agencies on each initiative using a "score" of red, yellow, or green. In the PMA scorecard issued in June 2002, SSA's progress in implementing the initiatives was recognized with one of the best evaluations overall, as compared with other departments and major agencies.

SSA's next Agency Strategic Plan and our "*Performance Plan for Fiscal Year 2004 and Revised Fiscal Year 2003 Performance Plan*" will discuss SSA's strategies for achieving success for each of the PMA initiatives as well as how the five initiatives are interwoven into the strategies for achieving our long-term strategic objectives. Following is a short summary of the PMA initiatives:

### Expanded Electronic Government

Status:  Progress: 

This initiative aims to make 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 to partner with other Federal, State and local entities to promote consolidated service delivery. We have invested substantially in electronic service delivery as a critical means of providing service to millions of Baby Boomers, and we will encourage the use of the SSA Internet web site, <http://www.ssa.gov/> by the public to carry out their business with us.

### Competitive Sourcing

Status:  Progress: 

This initiative 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 institutionalize public-private competition on an ongoing basis within the Agency.

### Improved Financial Performance

Status:  Progress: 

This initiative focuses on the reduction of erroneous payments and ensuring that federal financial systems produce accurate and timely information to support operating, budget and policy decisions. SSA is building upon its aggressive efforts at reducing erroneous payments and collecting related debt by increasing cost-effective program integrity initiatives.

### Budget and Performance Integration


Status:  Progress: 

This initiative calls for linking resources to performance, using program evaluation in planning and budget decisionmaking, and improving accountability for performance. Our budget clearly defines performance commitments, both in terms of quantifiable public service and program integrity workloads that SSA will handle,

and key outcomes it will achieve. At SSA, accountability is clearly defined for major initiatives and workloads, and productivity and/or process improvements are built into the most problematic areas identified in evaluations.

Strategic Management of Human Capital

Status: 

Progress: 

This initiative calls for reducing the distance between citizens and decisionmakers. At SSA, we are providing more front-line employees, using technology to capture the skills and knowledge of retiring employees, making better use of existing flexibilities to recruit, hire, develop, and reward employees, determining employee core competencies, and improving our performance systems to promote accountability and to encourage and reward high performance.

Our FY 2003 Annual Performance Plan and Revised Final FY 2002 Annual Performance Plan contained two specific FY 2002 performance commitments in support of SSA's PMA initiatives. Those results are described below.

***PMA Initiative: Competitive Sourcing***

**FY 2002 Commitment: Compete 5 percent of SSA positions appropriate for public-private competition or direct conversion to the private sector.**

**FY 2002 Results: We did not achieve the 5 percent commitment but are on target to meet our 15 percent commitment by FY 2003.** We are moving forward with our first public-private competitions and direct conversions in order to meet our combined FY 2002 –2003 goal of competing 15 percent of SSA positions appropriate for public-private competition or direct conversion to the private sector.

In March 2002, we submitted a competitive sourcing plan to OMB outlining how we would meet the 15 percent goal by the end of FY 2003. This plan reflects SSA's strategic decisions to ensure competitive sourcing is used to improve the efficiency and effectiveness of Agency processes and provide the greatest benefit to the taxpayer. It also describes our plans to build the necessary infrastructure. The Agency competitive sourcing plan was updated in July 2002.

In FY 2002, we created a team to serve as the Agency experts of the FAIR Act of 1998, OMB Circular A-76 and its supplement and all other guidelines and processes governing the study of commercial activities. A SSA-wide workgroup was convened to address policy, human resource, labor relations and communications issues related to conducting competitive sourcing studies. We initiated training efforts for management and employees involved in conducting competitive sourcing studies. In August 2002, we acquired competitive sourcing support through a Blanket Purchase Agreement with Management Analysis Inc. (MAI), a consulting firm specializing in studies conducted under OMB Circular A-76. MAI will provide expert guidance and fully support SSA in conducting each phase of the competitive sourcing process. Work began to address direct conversion activities and public-private competitions listed on SSA's combined FY 2002/2003 competitive sourcing plan.

***PMA Initiative: Expanded Electronic Government***

**FY 2002 Commitment: We will have completed market research for a fully automated grants award system and will have made the purchase decision on such a system. Based on our research, we will know whether the available state-of-the-art automated grants systems meet our needs.**

**FY 2002 Results: We achieved our commitment.** Expanding electronic government is part of SSA's strategy to make it simpler for people to receive high-quality service from the Federal government while reducing the cost of delivering those services. One aspect of that strategy is to provide the public with an electronic business environment that includes building e-government infrastructures including e-procurement and e-grants. In FY 2002, SSA completed its market research for a fully automated grants award system and concluded that no suitable eGrants Off-the-Shelf product exists. SSA is now focusing on the feasibility of obtaining and customizing a specific Federally owned eGrants system, to the extent necessary to satisfy our Agency specific eGrants requirements.

## Barometer Measures

An agency's strategic and performance plans are used to assess its performance in terms of outcomes achieved and outputs produced. The Social Security Administration's (SSA's) mission is to promote the economic security of the nation's people. SSA's programs, however, are not the only factors that affect the economic status of the aged, disabled, and survivor populations. Personal choices, social attitudes, and the economic climate also play important roles. Thus, it is not feasible for the agency to establish numerical goals for such measures as levels of income or rates of poverty.

No single measure can capture the effectiveness of a social program. Therefore, SSA has developed a number of barometer measures for both the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs. Each barometer contains multiple data measures that reflect the different bases and objectives of each program: earnings-based for OASDI and needs-based for SSI. Barometer measures should be considered both within the context of each other and in relation to external economic, social, and other factors. Although SSA cannot set goals for these measures, the agency has committed to identifying and defining quantitative indicators to assess the outcomes of the agency's programs.

This is the third year that SSA has published barometer measures. The first two reports presented data only for the current year. Beginning this year, we have changed the format of the report to a time-series that monitors trends in barometer measures over time. A number of changes have been made, including:

- Discontinuing three measures--Historical Labor Force Participation Rates, Percent of OASDI Beneficiaries in Poverty Without Social Security and Average Primary Insurance Amounts (PIA) and Benefits Paid for Newly Retired Workers, by PIA Quintiles;
- Modifying the data source for calculating quarters of coverage, years with zero earnings, and actual earnings replacement rates;
- Replacing Annual Poverty Gap With and Without SSI with Percent Reduction in Poverty Gap Due to SSI; and
- Adding measures on work among DI beneficiaries.

The five barometer categories are:

- I. Program Coverage and Eligibility
- II. Benefit Adequacy and Equity
- III. Reliance on Social Security Programs
- IV. Return-to-Work Among Persons with Disabilities
- V. Private Provision for Retirement

This report provides a brief summary and analysis of the five areas followed by the measures related to each one.

### I. Measures of Program Coverage and Eligibility

OASDI benefits are based on lifetime labor force participation. Participation rates vary greatly by age and sex and have been changing over time, especially for women. Newly retired male workers typically have earned more quarters of credit for Social Security coverage than newly retired female workers and have experienced fewer years with no earnings<sup>2</sup>. Men retiring in 2001, on average, had covered earnings in 83 percent of the quarters from age 22 to the year before first collecting retired-worker benefits, compared with 65 percent for women (Barometer IA). And men had, on average, 6 years with no earnings from age 22 to retirement compared with over 13 years for women (Barometer IB).

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<sup>2</sup> Forty quarters of coverage are required to establish eligibility for retirement benefits.



Approximately 95 percent of individuals aged 62 or older were eligible (either insured for benefits or could receive benefits based on the work record of an insured worker) for OASDI benefits in 2001 (Barometer IC). About 80 percent of persons aged 20 to the normal retirement age were insured for disability (Barometer ID).<sup>3</sup> Although fewer women were insured for disability benefits than men (75 percent compared with 85 percent), their insured status is gradually increasing. And more individuals under age 62 than between age 62 and the normal retirement age were eligible for disability benefits. This is especially true of women (76 percent for women aged 20-49, for example, compared with 61 percent for those aged 62 to the normal retirement age).

Social Security provides benefits not only to workers but also to spouses and survivors. More women receive OASDI benefits based on their own work record than as a spouse. In 2001, about 37 percent of the female beneficiaries aged 65 or older were receiving only retired-worker benefits, 29 percent were dually entitled to their worker benefit and a higher spouse benefit, and 34 percent were receiving a wife or widow benefit only (Barometer IE). The proportion of aged women who were receiving only retired-worker benefits or who were dually entitled increased by 1.2 percentage points between 1999 and 2001.

**IA. Average Percentage of Quarters of Coverage of New Retired-Worker Beneficiaries<sup>a</sup>**

Year	Total	Men	Women
1999	73.7	81.2	64.4
2000	74.1	81.7	64.5
2001	75.0	82.9	65.2

a. The average percentage of quarters of coverage earned is the number of quarters actually earned divided by the total number of quarters from age 22 to the year before first collecting retired-worker benefits.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2001.

**IB. Average Number of Years with Zero Earnings of New Retired-Worker Beneficiaries<sup>a</sup>**

Year	Total	Men	Women
1999	9.5	6.1	13.7
2000	9.6	6.2	13.8
2001	9.4	6.1	13.5

a. Years of zero earnings are measured from age 22 to the year before first collecting retired-worker benefits. This calculation does not subtract out the lowest 5 years as is done in the benefit calculation.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2001.

<sup>3</sup> Persons not eligible for Social Security include those without enough work credits and those who work in non-Social Security-covered employment, such as some state and local governments.

**IC. Percentage of Population Aged 62 or Older Eligible for OASDI Benefits <sup>a</sup>**

Year	Total	Men	Women
1999	95.1	93.5	96.2
2000	95.0	93.4	96.1
2001	95.2	93.6	96.4

a. Insured for OASDI benefits or could receive benefits based on the work record of an insured worker. Figures for 1999 have been revised to correct an earlier error.

Source: Estimate of SSA Office of the Chief Actuary, December 1999 - December 2001.

**ID. Percentage of the Population Meeting Work Requirements to Be Insured for Disability Benefits, by Age and Sex**

Year	Men			
	Total	20-49	50-61	62-NRA
1999	84.2	84.3	84.6	78.5
2000	84.5	84.7	85.1	78.0
2001	84.7	84.7	85.3	79.6

Year	Women			
	Total	20-49	50-61	62-NRA
1999	73.4	74.8	71.0	59.2
2000	74.0	75.4	72.1	59.8
2001	74.6	75.8	73.0	61.2

Note: NRA = normal retirement age

Source: Estimate of the SSA Office of the Chief Actuary, December 1999 - December 2001

**IE. Percentage of Women Aged 65 or Older Receiving OASDI Benefits, by Type of Benefit**

Year	Total	Retired Worker Only	Dually Entitled	Wife or Widow Only
1999	100.0	36.2	28.6	35.3
2000	100.0	36.4	28.9	34.7
2001	100.0	36.8	29.2	34.0

Source: Master Beneficiary Record (MBR), December 1999 - December 2001.

## II. Measures of Benefit Adequacy and Equity

Because of Social Security's progressive benefit formula, low-wage workers experience higher replacement rates in retirement than other workers. Replacement rates measure the adequacy of OASDI benefits in retirement relative to prior earnings. In 2001, OASDI benefits replaced 53 percent of earnings for hypothetical life-time low-wage workers (defined as those earning 45 percent of the average wage), 39 percent for average-wage workers, and 24 percent for workers with maximum taxable earnings (Barometer IIA).

We have also calculated replacement rates based on actual lifetime earnings for retired workers. We define actual replacement rates as the ratio of the retired worker's benefit based on his or her own earnings to his AIME. The median replacement rate in 2001 was about 43 percent (Barometer IIB.1). Median replacement rates ranged from 71 percent for those in the lowest earnings group to 30 percent for those in the highest earnings group (Barometer IIB.2). Because women tend to have lower earnings than men, their median replacement rate is higher than that of men. In 2001, it was 52 percent for women compared with 37 percent for men.

Measures of poverty provide a broader assessment of the adequacy of income of those who receive OASDI benefits and SSI benefits, including other sources of income of beneficiaries and income of other family members. In 2000, the most recent year for which data are available, 8.5 percent of OASDI beneficiaries aged 65 or older (2.5 million individuals) were below poverty, about the same as in 1998 (Barometer IIC). The poverty rate for beneficiaries aged 18-64 declined from about 18 percent in 1998 to about 16 percent in 2000, and the poverty rate for children in families reporting Social Security declined from about 25 percent to 19 percent. These changes over time in poverty among beneficiaries are similar to changes for all persons<sup>4</sup>. Although the poverty rate is much lower for aged beneficiaries than for younger beneficiaries, more aged beneficiaries are poor than are working aged beneficiaries or children living in families receiving OASDI benefits.

One measure of the effectiveness of SSI in providing adequate income is the extent to which it reduces the gap between the income of SSI recipients and the poverty line. In 1999, the most recent year for which data are available, SSI reduced the annual poverty gap by 65 percent, on average (Barometer IID). The reduction in the poverty gap was approximately the same for all age groups. SSI beneficiaries residing in states with only a federal benefit received payments that raised them to 69 percent of the poverty level in 2001. Those living in states that supplemented SSI payments were raised to levels ranging from 71 percent of the poverty threshold in Michigan to 93 percent in California (Barometer IIE).

Although low-income workers receive proportionately higher OASDI benefits relative to past earnings, high-earning workers receive higher OASDI benefits in absolute terms. As shown in Barometer IIB.2, the replacement rate for the lowest quintile in 2001 was 71 percent; however, individuals in this quintile received only 12 percent of OASDI dollars paid in 2000 (Barometer IIF). Conversely, individuals in the highest quintile had a replacement rate of 30.4 percent, but they received 24 percent of OASDI dollars paid.

Although historical data show that the poverty rate for the aged overall has declined greatly, poverty rates vary substantially for subgroups of beneficiaries. Younger beneficiaries, women, and minorities have much higher poverty rates. On the other hand, replacement rates are lower at high incomes.

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<sup>4</sup> Bureau of the Census, "Poverty in the United States: 2000," *Current Population Reports*, Series P-60, No. 214 (September 2001), Washington, D.C., U.S. Government Printing Office.

## IIA. Hypothetical Earnings Replacement Rates of Retirees at NRA

<b>Benefits at Normal Retirement Age as a Percentage of Last Year's Earnings Assuming Wages for All Years Were:</b>			
<b>Year</b>	<b>45% of Average Wages</b>	<b>Average Wages</b>	<b>Maximum Taxable Earnings</b>
<b>1999</b>	<b>53.4</b>	<b>39.7</b>	<b>24.1</b>
<b>2000</b>	<b>52.5</b>	<b>39.0</b>	<b>23.8</b>
<b>2001</b>	<b>52.9</b>	<b>39.3</b>	<b>24.3</b>

Note: Low-wage workers in the published barometer measures for 1999 and 2000 were defined as those earning the minimum wage. We have changed the definition of a low-wage worker to one who earns 45 percent of average wages because it is consistent with the definition used by the Office of the Chief Actuary in calculating estimated future replacement rates. For comparative purposes, we have calculated 45% of average wages for 1999 through 2001.

Source: Calculation by SSA Office of Research, Evaluation, and Statistics, 1999 - 2001.

### II B.1. Actual Earnings Replacement Rates of Retired Workers at First Benefit Receipt, by Sex

<b>Year</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
<b>1999</b>	<b>42.8</b>	<b>37.0</b>	<b>52.0</b>
<b>2000</b>	<b>42.9</b>	<b>37.5</b>	<b>52.4</b>
<b>2001</b>	<b>42.6</b>	<b>36.7</b>	<b>51.8</b>

Note: Includes all retirees entitled to retired-worker benefits in that year, excluding retirees who had a prior entitlement to disability benefits. The replacement rates are calculated by dividing the retired worker's benefit based on his or her own earnings (i.e., excluding any dual entitlement) by his or her own average indexed monthly earnings (AIME). The AIME is the measure of prior earnings upon which the social security benefit is calculated. It is calculated from the worker's highest 35 years of earnings, which have been adjusted for changes in the average wage index to the year of attainment of age 62.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2001.

**IIB.2. Actual Earnings Replacement Rates of Retired Workers at First Benefit Receipt, by AIME Quintile**

Year	Lowest	Second	Third	Fourth	Highest
1999	72.5	51.6	41.5	35.9	31.2
2000	71.6	52.2	41.5	36.8	31.5
2001	70.9	51.8	41.5	35.6	30.4

Note: See note in IIB.1 above. AIME quintile limits for 2001 are: \$802.5 (lowest), \$1,565.0 (second), \$2,492.0 (third), \$3,602.5 (fourth).

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2001.

**IIC. OASDI Beneficiaries in Poverty**

Year	Percentage in Poverty			Number in Poverty (millions)		
	65 or older	18-64	Under 18	65 or older	18-64	Under 18
1998	8.5	18.3	24.9	2.5	1.5	1.3
1999	8.1	16.6	20.2	2.4	1.4	1.0
2000	8.5	16.3	18.7	2.5	1.4	0.7

Note: Beneficiaries aged 65 or older and 18-64 are individuals who report receiving Social Security. Beneficiaries under age 18 are children in families who report receiving Social Security. Poverty is based on family money income, which does not include non-money transfers such as food stamps.

Source: Current Population Survey (CPS), 1998 - 2000.

**IID. Percentage Reduction in Poverty Gap Due to SSI**

Year	Total	65 or older	18-64	Under 18
1998	67	68	66	71
1999	65	69	64	67

Note: The poverty gap is the dollar amount needed to bring income of SSI recipients (and spouses) to the poverty level. Poverty is based on family money income, not including non-money transfers such as food stamps. SSI amounts from SIPP have been replaced with SSI federal payments and federally administered state supplemental payments from SSA's program records that have been matched to the SIPP. There are no statistically significant differences between 1998 and 1999 with respect to SSI beneficiaries overall, or for any of the three age groups shown above.

Source: SIPP and SSA program records, 1998 - 1999.

**II.E. SSI as a Percentage of the Poverty Threshold in States with "Broad Coverage" State Supplement Groups**

Federal Benefit with State Supplement <sup>a</sup>		1999	2000	2001
	<b>California</b>	<b>94</b>	<b>93</b>	<b>93</b>
	<b>Massachusetts</b>	<b>84</b>	<b>84</b>	<b>84</b>
	<b>Michigan</b>	<b>71</b>	<b>71</b>	<b>71</b>
	<b>New Jersey</b>	<b>74</b>	<b>73</b>	<b>73</b>
	<b>New York</b>	<b>81</b>	<b>80</b>	<b>80</b>
	<b>Pennsylvania</b>	<b>73</b>	<b>72</b>	<b>73</b>
<b>Federal Benefit only</b>		<b>69</b>	<b>69</b>	<b>69</b>

a. Federal SSI plus federally administered state supplements for one person.

Note: A broad coverage group includes persons with the most common type of living arrangement within each state, which varies from state to state. Individuals in such living arrangements receive an SSI federally administered state supplement together with the federal payment that moves them closer to the poverty threshold than the federal payment alone. The methodology for calculating these data has been modified, and the figures for 1999-2000 have been revised to reflect the same methodology as the 2001 data.

Source: Supplemental Security Record (SSR) and data from states, 1999 - 2001.

**II.F. Percentage of OASDI Dollars Paid, by Income Quintiles and Age**

65 or older						
Year	Total	Lowest	Second	Third	Fourth	Highest
<b>1998</b>	<b>100</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>23</b>	<b>26</b>
<b>1999</b>	<b>100</b>	<b>12</b>	<b>19</b>	<b>22</b>	<b>23</b>	<b>24</b>
<b>2000</b>	<b>100</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>24</b>	<b>24</b>

18-64						
Year	Total	Lowest	Second	Third	Fourth	Highest
<b>1998</b>	<b>100</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>23</b>	<b>24</b>
<b>1999</b>	<b>100</b>	<b>12</b>	<b>19</b>	<b>23</b>	<b>23</b>	<b>22</b>
<b>2000</b>	<b>100</b>	<b>11</b>	<b>19</b>	<b>22</b>	<b>24</b>	<b>24</b>

Note: The family income quintile limits for 2000 for those aged 65 or older are \$13,194 (lowest), \$21,546 (second), \$31,954 (third), \$53,433 (fourth). The family income quintile limits for those 18-64 are \$12,426 (lowest), \$21,634 (second), \$35,163 (third), \$58,855 (fourth).

Source: CPS, 1998 – 2000.

### III. Measures of Reliance on Social Security Programs

Over half of beneficiaries aged 65 or older and over two-fifths of beneficiaries aged 18 to 64 rely on OASDI for half or more of their family income, and about 15 percent of both age groups rely on OASDI for all of their income (Barometer IIIA). Reliance is much higher for low-income groups. For example, OASDI provides 89 percent of the family income of beneficiaries 65 or older in the lowest income quintile compared with 18 percent for those in the highest income quintile (Barometer IIIB).

Reliance on SSI is measured based on the income of individual beneficiaries rather than on family income. On that basis, SSI constituted over half of total income for 61 percent of SSI recipients aged 18 to 64 in 1999 (the most recent year for which data are available) and was the only income for 28 percent of that group (Barometer IIIC). Aged SSI beneficiaries are the least reliant on their benefits (because of OASI receipt). Children are the most reliant.

OASDI was designed to be a partial replacement of income lost because of retirement, disability or death of a worker. SSI was enacted as a means-tested program for the aged and disabled poor. The barometer measures in this section show both the extent to which individuals have other sources of the income they need to ensure economic security and the comparative role that OASDI, SSI, and other sources play in economic security. The measures also indicate which groups would be most affected, by virtue of their heavy reliance on these programs, by changes to the program.

#### IIIA. Relative Importance of Family OASDI Income to Beneficiaries' Total Family Income, by Age

Year	50% or More of Total Income		90% or More of Total Income		100% of Total Income	
	65 or older	18-64	65 or older	18-64	65 or older	18-64
1998	56	44	22	20	14	15
1999	56	43	22	20	14	14
2000	56	44	24	20	15	15

Note: A regular SSA data series presents somewhat different figures for those 65 or older counting individuals and married couples based on their own benefits as a percentage of their own income. The most recent numbers under that calculation are 64 percent (50% or more of total income), 31 percent (90% or more) and 20 percent (100%). We use a different method here so that age groups are measured similarly and because the method used for the aged is not appropriate for younger groups.

Source: CPS, 1998 - 2000.

**IIIB. Family OASDI Income as a Percentage of Beneficiaries' Total Family Income, by Quintiles of Family Money Income and Age**

65 or older					
Year	Lowest	Second	Third	Fourth	Highest
1998	89	74	59	39	18
1999	88	74	58	40	17
2000	89	75	59	40	18

18-64					
Year	Lowest	Second	Third	Fourth	Highest
1998	83	67	46	30	15
1999	83	66	45	29	14
2000	84	67	45	30	14

Note: A regular SSA data series presents somewhat different figures for those 65 or older, counting individuals and married couples on the basis of their own income quintiles and their own reliance on benefits. The most recent numbers under that calculation by family income quintile are 82, 82, 64, 46, and 19 percent. We use a different method here so that age groups are measured similarly and because the method used for the aged is not appropriate for younger groups. The 2000 family income quintile limits for those aged 65 or older are \$13,194 (lowest), \$21,546 (second), \$31,954 (third), \$53,433 (fourth); the family income quintiles for those aged 18 to 64 are \$12,426 (lowest), \$21,634 (second), \$35,163 (third), \$58,855 (fourth).

Source: CPS, 1998 - 2000.

**IIIC. Relative Importance of SSI Income to Beneficiaries' Total Income, by Age**

Year	50% or More of Total Income			90% or More of Total Income			100% of Total Income		
	65 or older	18-64	Under 18	65 or older	18-64	Under 18	65 or older	18-64	Under 18
1998	42	63	99	19	38	99	14	30	95
1999	43	61	100	23	36	96	16	28	90

Note: SSI amounts from SIPP have been replaced with SSI federal payments and federally administered state supplemental payments from SSA's program records that have been matched to the SIPP. Total income does not include non-money transfers such as food stamps. There are no statistically significant differences between levels of importance of SSI in 1998 and 1999 for any of the age groups shown above.

Source: SIPP and SSA program records, 1998 - 1999.



## IV. Measures of Return-to-Work Among Persons with Disabilities

Since their inception, the Disability Insurance (DI) and SSI programs have emphasized the importance of beneficiaries returning to work when possible. However, moving DI and SSI beneficiaries into employment has proved to be a substantial challenge.

DI beneficiaries are entitled to receive full benefits throughout a 9-month trial work period (TWP) during which they may work and have earnings above a level, which constitutes substantial gainful activity (SGA)—currently \$740 per month. If, after completing the TWP, a beneficiary continues to have a disabling impairment and has earnings above SGA, his or her benefits are suspended. The beneficiary is also entitled to a 36-month extended period of eligibility (EPE). During the EPE, if earnings fall below the SGA level, benefit payments resume without the beneficiary's having to file a new application. After completing the EPE, if earnings continue to be above the SGA level, benefits are terminated.

In 1999 (the most recent year for which data are available), 16 percent of DI worker beneficiaries were working, earning an average of \$8,477 for the year. The median earnings level—\$3,519 for DI beneficiaries who worked—was less than half of average earnings; thus, the majority had relatively low earnings. In 2001, only 0.2 percent (12,100) of all DI beneficiaries, had their benefits suspended after completing a TWP because they had earnings above the SGA level (\$740 a month). Also in 2001, 0.55 percent of DI beneficiaries (29,000) had their benefits terminated because their earnings exceeded the SGA level (Barometer IVA)<sup>5</sup>.

About 7 percent of disabled SSI beneficiaries aged 18 to 64 work, with most working at or below SGA (Barometer IVB)<sup>6</sup>. Average monthly earnings in 2001 were \$320 (\$1,005 for those working above SGA and \$256 for those working at or below SGA). Of those who worked, about 5 percent (16,000 annually) stopped receiving cash SSI benefits because of their earnings. That group constituted less than half a percent of all SSI beneficiaries (Barometer IVC).

SSA is developing a structured package of demonstration projects to facilitate the employment of persons with disabilities, including a comprehensive employment opportunities demonstration for current DI and disabled SSI recipients, an early intervention demonstration for DI applicants, a youth employment strategy for young disabled individuals, and a demonstration targeted toward people with mental illness.

### IVA. Work Among DI Beneficiaries

Year	Working and Receiving Benefits		Benefits Suspended Due to Work Above SGA		Benefits Terminated Due to Work Above SGA	
	Number	Percent	Number	Percent	Number	Percent
1998	694,000	16.0	N/A	N/A	N/A	N/A
1999	649,000	16.0	10,000	0.2	N/A	N/A
2000	N/A	N/A	10,700	0.2	N/A	N/A
2001	N/A	N/A	12,100	0.2	29,000	0.55

<sup>5</sup> The figure on benefit terminations includes beneficiaries who completed the EPE in 2001 as well as beneficiaries who did not report that they were working whose earnings were not detected by SSA until after they completed the EPE.

<sup>6</sup> Through section 1619(a) of the Social Security Act, SSI recipients who earn more than SGA can continue to receive cash benefits.

Note: SGA = substantial gainful activity (\$740 per month in 2001); TWP = trial work period; N/A=not available.

Source: Data for working and receiving benefits are from SIPP and SSA program records, 1998 - 1999. Data for benefits suspended or terminated because of work above SGA after a trial work period are from MBR, 1999 - 2001.

**IVB. Work Among Disabled SSI Beneficiaries Aged 18-64 (as a Percentage of All Disabled SSI Beneficiaries)**

Year	Working Above SGA	Working At or Below SGA	Total Working <sup>a</sup>
1999	0.7	6.3	7.0
2000	0.7	6.4	7.1
2001	0.6	6.1	6.7

a. Does not include 76,000 persons whose earnings preclude a cash payment. They remain SSI beneficiaries for Medicaid purposes.

Source: SSR, December 1999 - December 2001.

**IVC. Disabled SSI Beneficiaries Aged 18 to 64 Whose Benefits Ceased Because of Work**

Year	Number	Percentage of All SSI Beneficiaries	Percentage of All SSI Beneficiaries Who Work
1999	15,700	0.4	4.8
2000	16,100	0.4	4.7
2001	15,800	0.4	4.8

Note: Number whose benefits (cash, Medicaid, or both) ceased during the quarter ending December 31. These data are reported quarterly. Quarterly numbers cannot be added together because doing so would produce an over-count of people who start and stop work multiple times during a year. Figures for 1999 and 2000 have been revised to correct an earlier error in calculation.

Source: SSR, December 1999 – December 2001.

**V. Measures of Private Provision for Retirement**

OASDI was intended to be a floor of protection in retirement that would be supplemented by employer-sponsored pensions and individual savings. Adequacy of income in retirement is highly dependent on having sources of income other than OASDI. In 1998, the most recent year for which data are available, slightly more than half (51 percent) of the working population had coverage in an employer-sponsored pension plan (Barometer VA). Plan participation was highest--57 percent--among workers aged 40 to 54. Plan participation was substantially lower for the total population than for the working population (37 percent compared with 51 percent). Plan participation remained stable among the total population between 1995 and 1998 but declined by 3 percentage points over the same period for the working population. The reduction was approximately the same for all age groups.

Participation in employer pension plans is far from universal. Historical data show that pension coverage leveled off in the 1970s at roughly half the work force covered and has remained at that level since that time. Also, pension plan participation is shifting from largely defined benefit plans toward defined contribution plans, which add more personal choice but also add risk in accumulating a pension.

Assets can provide income, such as interest or dividends. Income from assets comes largely from financial assets, but the most important component of most people's assets is the value of their home. Measures of both financial assets and net worth, which includes the value of the principal residence and other property and businesses, are shown here. In 1998, median family financial assets for married individuals aged 65 or older were \$63,300 and median net worth was \$217,600. Nonmarried individuals aged 65 or older had median financial assets of \$15,800 and a median net worth of \$87,600 (Barometer VB). As these figures indicate, asset amounts vary greatly by marital status and age with some groups having very little accumulated in old age.

#### VA. Percentage Participating in an Employer-Sponsored Pension Plan

Year	Total Population				Working Population			
	Total	25-39	40-54	55-64	Total	25-39	40-54	55-64
1995	37	36	43	25	54	48	60	55
1998	37	35	42	27	51	46	57	53

Note: Includes private pensions, federal employee pensions, military retirement, and state and local pensions. Does not include individual retirement accounts or Keoghs.

Source: SIPP, Pension Plan Coverage and Retirement Expectations Topical Module, 1995 and 1998.

#### VB. Median Family Financial Assets and Median Total Net Worth (in 1998 dollars)

Year	Total	Financial Assets					
		Married			Nonmarried		
		25-54	55-64	65 or older	25-54	55-64	65 or older
1998	19,700	22,000	59,000	63,300	4,790	17,500	15,800

Year	Total	Net Worth					
		Married			Nonmarried		
		25-54	55-64	65 or older	25-54	55-64	65 or older
1998	78,850	81,870	203,300	217,600	17,280	71,500	87,600

Note: Financial assets in the Survey of Consumer Finances include transaction accounts, certificates of deposit, bonds, stocks, mutual funds, tax-deferred retirement accounts (IRAs, Keoghs, and certain employer-sponsored accounts from which withdrawals can be made), the cash value of life insurance, and other assets such as personal annuities, trusts, and royalties. Net worth, in addition to financial assets, includes the equity in homes, nonresidential property, businesses, vehicles, and other tangible items. Asset levels vary greatly, depending on the

survey and the definition used. For example, SIPP does not include tax-deferred retirement accounts or the cash value of life insurance in assets. SSA is sponsoring a study of these differences.

Source: Survey of Consumer Finances, 1998.

In summary, the barometers help us understand the impact of SSA programs, individual work choices, and other factors on income security.

#### **I. Program Coverage and Eligibility**

- Labor force participation is the foundation of economic security for most Americans.
- Coverage for disability is lower for women than men.
- One-third of women receive benefits only as wives or widows.
- Another 29 percent of women receive both worker and benefits as wives or widows.

#### **II. Adequacy and Equity of Benefits**

- Poverty rates have declined but still vary greatly.
- Children and adults between ages 18 and 64 are more likely to be poor than are persons 65 and older.
- The current benefit formula provides higher replacement rates to low earners but higher benefits to those with higher incomes.

#### **III. Reliance on Social Security and SSI**

- About half of beneficiary families receive 50 percent or more of their income from Social Security.
- Reliance on Social Security is higher for older and lower-income beneficiaries.
- For more than 60 percent of SSI beneficiaries, SSI payments provide 50 percent or more of their income.

#### **IV. Return-to-Work Opportunities Among Persons With Disabilities**

- About 16 percent of DI beneficiaries and 7 percent of SSI disabled beneficiaries work.
- Less than 1 percent of DI and SSI disabled beneficiaries lost benefits because of work.

#### **V. Private Provision for Retirement**

- About half of today's workers have pension coverage.
- Increasingly, these plans are defined contribution plans, which provide the potential of higher returns together with individual risk.
- Levels of financial assets and net worth indicate that many people have little private savings to supplement Social Security.

## Program Evaluation

SSA continues to build upon its body of program data, research and analysis to identify strengths and weaknesses in its programs and processes as well as to evaluate the potential impact of proposals for change and the actual effects of proposals after they are implemented. We prepare an annual Agency coordinated evaluation plan that covers our Agency's goals, objectives, and business processes, and ensures that there are no overlaps, duplications or gaps. In addition to ongoing, recurring periodic evaluations of accuracy, service, etc., targeted evaluation activities are conducted each year. The findings from many of these activities are woven throughout this report.

In addition to the evaluations summarized below, beginning in FY 2002 and continuing into FYs 2003-2004, SSA is undertaking, with the Office of Management and Budget (OMB), assessments of the Disability Insurance and SSI Aged programs using the OMB Program Assessment Rating Tool.

Following are brief summaries of the evaluations completed during FY 2002, which directly related to strategic goals as described in the FY 2002 Annual Performance Plan. Copies of the complete results can be obtained by writing to:

Social Security Administration  
Office of Strategic Management  
436 Altmeyer Building  
6401 Security Boulevard  
Baltimore, MD 21235

### *Strategic Goal: To Deliver citizen-centered, world-class service*

#### **Program Evaluations:**

- Interaction Tracking Survey  
The Interaction Tracking survey, conducted semiannually, surveys of the core groups of people who do business with SSA. The surveys measure how satisfied people are with various aspects of service from our 800-number, field offices, and hearings offices. The combined report provides two performance indicators: 1) The percent of people who do business with SSA rating overall service as excellent (E), very good (VG), or good (G) on SSA's six-point rating scale; and 2) Percent rating service as excellent. The FY 2002 results for overall satisfaction were 83 percent E/VG/G and 30 percent excellent. Both measures met their FY 2002 respective goals of 82 and 30 percent. These results represent statistically significant improvement over the FY 2001 results of 81 percent and 28 percent respectively. These improvements are largely due to increased satisfaction with telephone service. Annual performance targets for FY 2003 and FY 2004 are set taking into account the actual satisfaction rates measured in this survey.
- Annual Employer Interaction Survey  
This survey measures business caller satisfaction with services such as Social Security number verification and assistance with wage reporting issues. Because of difficulties encountered in sample identification, the FY 2002 survey results cannot be generalized to the universe of employer callers. However, despite this shortcoming, the survey results provide useful information. Overall satisfaction with employer services provided was very high, with 94 percent rating services excellent, very good or good. The excellent rating was 34 percent.

*Strategic Goal: To ensure the integrity of social security programs, with zero tolerance for fraud and abuse*

**Program Evaluations:**

- Annual CDR Report to Congress

SSA conducts very cost-effective continuing disability reviews to determine whether individuals receiving disability benefits have medically improved and no longer meet the statutory definition of disability, and therefore should have their benefits terminated. SSA established a seven-year plan, covering FY 1996 through FY 2002, to process its entire backlog of CDRs, and then to keep current with processing this critical workload. Congress provided special funding to SSA to process the seven-year plan workload.

SSA is required to file an annual report to Congress on the number of CDRs conducted and the results of those reviews. Our report covering FY 2001, issued in September 2002, reported that SSA conducted more than 1.7 million CDRs. Based on those reviews, SSA made initial determinations that benefits should be ceased due to medical improvement and the ability to work in 106,914 cases. After all appeals, benefits to an estimated 63,600 individuals will be ceased.

*Strategic Goal: To strengthen public understanding of Social Security Programs*

**Program Evaluations:**

- Annual Public Understanding Measurement System

The Public Understanding Measurement System, called “PUMS,” measures how much the public knows about Social Security. Its core measurement tool is a national telephone survey administered to members of the adult American public. Since 1998, when PUMS began, the survey has been conducted annually by the Gallup Organization, under contract to SSA. For the first two years of the survey, SSA identified 19 “facts” about the Social Security programs that we believed were important for members of the public to know. Anyone answering correctly 70 percent of the questions related to these “knowledge indicators” (12 correct of 19) was considered knowledgeable about SSA. During the most recent two years of the PUMS, changes in the knowledge indicators were made and the survey contained questions related to 14 knowledge indicators (10 correct of 14 yielded a “knowledgeable” designation).

In early FY 2002, the national survey was administered to a much larger sample size (20,000 respondents) to yield statistically valid data down to the level of the SSA service area. The results from this one-time survey, which are reported in this document, provided us with a national knowledge level that had very little margin of error, and they also enabled us to see the variance in knowledge among the 52 areas in which SSA divides the country for service. These detailed data have helped Area Directors understand the educational needs of the people who live in the area they serve and plan better to meet those needs.

We are planning the next PUMS survey to be fielded in the spring of 2003. The new survey will test public knowledge about basic facts as well as the issues Social Security faces and other important information. The new survey will also be redesigned to use more open-ended questions and rely less on responses to “agree-disagree” questions. We expect the new survey to provide us better information with which to plan and target our public information programs.

- Move the Needle Study

A year-long knowledge-tracking study, known as the “Move the Needle” study, was initiated in FY 2000. The general conclusion of the study was that respondents in the treatment sites consistently had higher overall knowledge levels than did those in the control sites. Our experience with the study and its results led us to change the plans we had made for additional large-scale tracking studies, and no “Move the Needle” study was conducted in FY 2002.

*Strategic Goal: To be an employer that values and invests in each employee*

**Program Evaluations:**

- Water and Air Quality Surveys

SSA performs water and air quality surveys to provide early identification of potential and existing problems in the workplaces of our employees and to enable us to implement timely corrective actions and preventive measures. In FY 2002,

- 84 comprehensive indoor air quality surveys and 128 indoor air quality screenings were completed with 75 percent of the recommended corrections made; and
- 70 facilities were tested for lead and copper in drinking water and 100 percent of the water testing recommendations were completed.

Typical findings and recommendations generated from the indoor air quality surveys and screenings include the following simple and complex actions:

- modifying temperatures and airflow;
- remediation of odors caused during carpet installations;
- cleaning and file recovery in flooded offices; and
- abatement of mold, chemicals, or hazardous materials.

Testing to determine the lead and copper content of drinking water has been completed in all occupied SSA field and hearings offices to date, with all remediations completed timely. Currently, routine water testing is conducted only when an office relocates with sampling and remediation as appropriate at individual sites.

- New Hire Selection Process/Competencies

SSA has, through the use of a contractor, identified seven key competencies for the claims representative position and has developed a draft interview assessment and scoring tool. The tool was tested. A final assessment and training package will be provided by the contractor in early FY 2003. A three-region pilot will be conducted in FY 2003 with an evaluation report due in January 2004.

- Organizational Culture Study

The study was completed and a workgroup synthesized the results into a final report. The report contained 27 recommendations, which were presented to the Agency leadership. Implementation decisions remain pending. There are no plans to do a follow up study.

- Retirement Wave Study

Initially issued in 1998 and updated in December 2000, the report focuses on predicting the who, where and when of retirements both SSA-wide and by major occupations. The data-driven projections are the foundation of Agency-level succession planning efforts. Updates are done on a tri-annual basis.

- Survey of Training Effectiveness

We conducted a survey of headquarters and field employees to assess general skills training needs. The results are used to ensure we provide employees with access to the training needed to maintain technical skills and to enhance their job performance and develop their careers.

***Strategic Goal: To promote valued, strong and responsive social security programs and conduct effective policy development, research and program evaluation***

**Program Evaluations:**

- Evaluation of Changing Benefit Structures

We prepared a number of analyses of the distributional effects of changing OASDI benefits. These analyses have been used to formulate legislation and will be used by policymakers to understand the effects of legislative changes and to assist in developing proposals to reform the OASDI program.

An analysis of the removal of the retirement earnings test in 2000 found increased earnings for higher earners and more benefit applications. An analysis of raising the early retirement age found that over half of retirees take benefits at age 62, 10-20 percent of those taking benefits at 62 have a health condition that limits work and half with a health condition had been in physically demanding jobs. An analysis of restoring student benefits for full-time college students found that about two-thirds of potential beneficiaries have incomes more than twice the poverty level.

We also estimated the effects of several policy options, including modifying the government pension offset, the windfall elimination provision, the special minimum, the number of years of earnings used to determine benefits, and benefits of various groups, such as disabled widow(er)s, divorced spouses, and aged widows. The House of Representatives passed H.R. 4069, the Social Security Benefit Enhancements for Women Act of 2002, which included some of these policy options. Bills have also been introduced to modify the government pension offset (H.R. 664 and H.R. 3297) that would improve benefits for persons with low noncovered government pensions.

- Welfare Reform and Children with Disabilities

An analysis of the effect on SSI disabled children of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 estimated that after 10 years there would be 13 percent fewer new cases, 17 percent fewer children on the SSI rolls, and a 19 percent reduction in program costs. These results, combined with future analyses of data from SSA's National Survey of SSI Children and Families, will be used to assess the need for further program modifications.

- State Partnership Evaluation

State Partnership Initiatives (SPI) assist states in developing alternative program structures and delivery systems to increase employment among SSI and SSDI beneficiaries. SSA has funded 12 cooperative agreements, beginning in FY 1999 with annual funding through FY 2003. Enrollments in SPI projects are still on-going and currently evaluation results are available only for the early participants. Thus far, there have been no statistically significant changes in the outcomes of interest--participant employment, earnings, participation in SSI and SSDI and disability benefit amounts. SSA will continue to collect and analyze data from the projects and SSA's administrative files.