



## SOCIAL SECURITY

The Commissioner

The Honorable Dennis Rehberg  
Chairman, Subcommittee on Labor, Health, and Human Services, Education, and Related  
Agencies  
Committee on Appropriations  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Rehberg:

This letter transmits the Operating Plan for the Social Security Administration (SSA), as required by Section 517 of the Consolidated Appropriations Act, 2012 (Public Law (P.L.) 112-74). The enclosed plan provides a comparison of the fiscal year (FY) 2012 President's budget to the FY 2012 enacted appropriation for each of our accounts.

The final page of the plan displays the workload and performance measures as shown in the Justification of Estimates for the committees, including actual experience in FY 2011 and an update of FY 2012 commitments to incorporate enacted funding levels and the most recent workload estimates. The commitments shown in the FY 2012 enacted column include the amounts appropriated under P.L. 112-74, the Disaster Relief Appropriations Act, 2012 (P.L. 112-77) for additional Program Integrity activities, and additional funding apportioned from the resources appropriated under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) for acquisition of a new data center.

In accordance with the Managers' Statement of the Disaster Relief Appropriations Act, 2012 (P.L. 112-77), we have enclosed the following appendices: (1) Extramural Research and Demonstration details, (2) FY 2011 Workload Table on Disability Appeals, (3) National Data Center Milestones, (4) Staff On-Duty Table by Major Component, and (5) Key Assumptions and Cost Drivers. We have also included a report on the effects of FY 2012 enacted funding levels on key workloads and services is included.

We are sending similar letters to Senators Inouye, Cochran, Harkin, Shelby, and Representatives Rogers, Dicks, and DeLauro. We will be glad to work with your staff to answer any questions you may have about this Operating Plan. If there are any questions, please have your staff contact Bonnie Kind, Associate Commissioner for the Office of Budget, at (410) 965-3501.

Sincerely,

Michael J. Astrue

Enclosure

**Social Security Administration (SSA) Fiscal Year (FY) 2012**  
**Operating Plan**

**(Appropriated FY 2012 Funds and Carryover / Transfers  
of Unobligated Prior-Year Funds)  
(\$ in millions)**

**Budget Authority:**

	<b><u>FY 2012</u></b> <b><u>President's</u></b> <b><u>Budget</u></b>	<b><u>FY 2012</u></b> <b><u>Available</u></b> <b><u>Funding</u></b>
<b>Payments to the Social Security Trust Funds (PTF)</b>		
Pension Reform	\$6.4	\$6.4
Unnegotiated Check	14.0	14.0
Special Benefits for Certain Uninsured Persons <sup>1</sup>	0.0	0.0
Military Service Wage Credits	0.0	0.0
<b>Total Appropriation (P.L. 112-10)</b>	<b>\$20.4</b>	<b>\$20.4</b>

	<b><u>FY 2012</u></b> <b><u>President's</u></b> <b><u>Budget</u></b>	<b><u>FY 2012</u></b> <b><u>Available</u></b> <b><u>Funding</u></b>
<b>Supplemental Security Income (SSI)</b>		
FY 2012 Benefit Payments, Total	\$47,554.0	\$47,554.0
FY 2012 First Quarter Advance (P.L. 112-10)	13,400.0	13,400.0
FY 2012 Appropriation (P.L. 112-74)	34,154.0	34,154.0

	<b><u>FY 2012</u></b> <b><u>President's</u></b> <b><u>Budget</u></b>	<b><u>FY 2012</u></b> <b><u>Available</u></b> <b><u>Funding</u></b>
<b>Supplemental Security Income (SSI)</b>		
Administrative Expenses, Total	3,844.0	3611.5
Administrative Expenses (Regular)	3844.0 <sup>2</sup>	3123.6
Program Integrity (P.L. 112-74)	Not Available	244.0
Additional Program Integrity (P.L. 112-77)	Not Available	243.9

<sup>1</sup> Requested and appropriated amount is \$4,000.

<sup>2</sup> Reflects SSI Administrative Expenses request and the SSI portions of the Program Integrity and Additional Program Integrity line items.

	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Supplemental Security Income (SSI)</b>		
Beneficiary Services	47.0	47.0
Research and Demonstration (R&D) Projects	38.0	0.0
Research and Demonstration (R&D) Projects (FY 12 / FY 13)	0.0	8.0
<b>Total Appropriations (P.L. 112-10 and P.L. 112-74)</b>	<b>51,483.0</b>	<b>\$51,220.5</b>
	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Supplemental Security Income (SSI) – Carryover of Unobligated FY 2011 Balances and Actual Recoveries</b>		
Benefits	\$0.0	\$115.7
Administrative Expenses	62.0	31.1
Beneficiary Services	52.0	\$5.0
R&D	32.3	43.4
<b>Total, Carryover of Unobligated FY 2011 Balances and Actual Recoveries</b>	<b>\$146.3</b>	<b>\$195.2</b>
	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Supplemental Security Income (SSI) – Total Funds Available for FY 2012</b>	<b>\$51,629.3</b>	<b>\$51,415.7</b>
	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Limitation on Administrative Expenses (LAE)</b>		
Regular LAE <sup>3</sup>	\$11,416.1	\$10,533.4
PI-CDRs/Redets (P.L. 112-74)	315.0	273.5
PI-Additional CDRs/Redets (P.L. 112-77)	623.0	482.6
SSA Advisory Board	2.2	2.1
SSI User Fees	163.0	160.7
Non-Attorney Certification User Fee	1.0	1.0
Acquisition Workforce Capacity and Capabilities	1.9	0.0
<b>Total Appropriated (P.L. 112-74 and P.L. 112-77)</b>	<b>\$12,522.2</b>	<b>\$11,453.3</b>

<sup>3</sup> Excludes funding for base CDRs and Redeterminations.

	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>American Recovery and Reinvestment Act (P.L. 111-5)</b> NSC Replacement	\$114.6	\$21.1 <sup>4</sup>

	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Medicare Improvement for Patients and Providers Act (P.L. 110-275)</b> Low Income Subsidy	\$8.7	\$12.8

	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Other Available Funds:</b>		
<u>Automation Investment Fund (AIF) (No-Year) – Carryover/Recoveries from Unobligated AIF Balances</u>	\$0.0	\$0.1
<u>Information Technology Systems (ITS) (No-Year) – Carryover/Recoveries from Unobligated ITS Balances</u>	\$200.4	\$162.1
<u>Carryover/Recoveries of Other Unobligated Balances</u>	\$0.0	\$12.1 <sup>5</sup>

	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Office of the Inspector General, SSA</b>		
Federal Funds	\$30.0	\$28.9
Trust Funds	\$77.1	\$73.4
<b>Total Appropriated (P.L. 112-10)</b>	<b>\$107.1</b>	<b>\$102.3</b>

	<u>FY 2012 President's Budget</u>	<u>FY 2012 Available Funding</u>
<b>Office of the Inspector General, SSA – American Recovery and Reinvestment Act (P.L. 111-5)</b> Oversight and audit	\$0.5	\$0.8

<sup>4</sup> The amounts shown in the available funding column represent funds needed to cover estimated FY 2012 NSC replacement costs. The remaining unobligated balances will be applied to future NSC replacement costs.

<sup>5</sup> Includes authority from prior years carried over for the following purposes: \$11.6M for operation and maintenance of special facilities delegated to SSA by the General Services Administration, \$497K for construction and \$26K for Disaster Relief.

<b>Estimated Outlays</b>	<b><u>FY 2012 President's Budget</u></b>	<b><u>FY 2012 Available Funding</u></b>
PTF	\$20	\$20
LAE	\$12,404	\$11,474
SSI	\$51,245	\$51,609
OIG	\$107	\$103

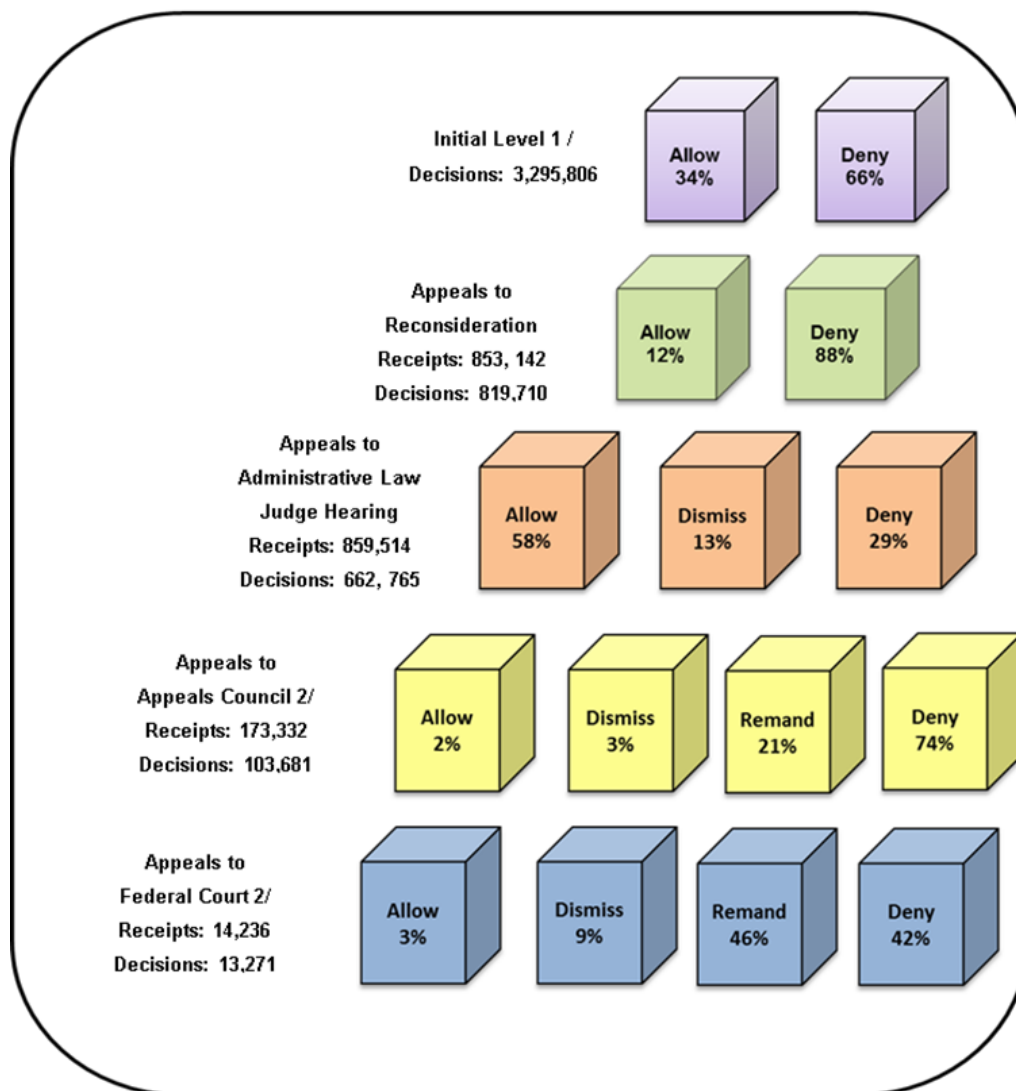
**Social Security Administration**  
**Workload and Outcome Measures**

	FY 2011		FY 2012	
	Enacted Appropriation	Actual	President's Budget	Enacted Appropriation
<b>SELECTED OUTCOME MEASURES</b>				
Retirement and Survivors Claims Completed (thousands)	4,590	4,878	4,627	4,918
Initial Disability Claims Completed (thousands)	3,273	3,391	3,268	3,173
Reconsiderations Completed (thousands) <sup>1</sup>	Not Available	832	Not Available	787
SSA Hearings Completed (thousands)	815	795	823	875
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,357	1,409	1,442	1,285
Periodic Medical CDRs (included above)	329	345	592	435
Supplemental Security Income (SSI) Non-Disability Redeterminations Processed (thousands)	2,422	2,457	2,622	2,622
800 Number Transaction Handled (millions)	60	63	72	63
Average Speed of Answer (seconds)	267	180	262	285
Agent Busy Rate	6%	3%	6%	6%
Social Security Numbers Issued (millions)	18	17	18	17
Annual Earnings Items Processed (millions)	238	241	242	242
Social Security Statements Issued (millions)	74	74	155	14
<b>SELECTED WORKLOAD MEASURES</b>				
Initial Disability Claims Pending (thousands)	845	759	632	861
Reconsiderations Pending (thousands) <sup>1</sup>	Not Available	176	Not Available	184
Hearings Pending (thousands)	725	787	597	746
Average Processing Time for Initial Disability Claims (days)	118	109	103	111
Annual Average Processing Time for Hearings Decisions (days)	365	360	326	338
September Average Processing Time for Hearings Decisions (days)	Not Available	345	Not Available	321
Disability Determination Services Production per Workyear	275	287	279	322
Office of Disability Adjudication and Review Production per Workyear	107	109	107	114
Disability Determination Services Accuracy Rate	97%	TBD	97%	97%

1 / Reconsideration Average Processing Times are currently under development.

<b>Extramural Research &amp; Demonstration Budget*</b>			
<b>(in thousands)</b>			
		<b>Obligations</b>	
		<b>FY 2011</b>	<b>FY 2012</b>
		Actual	Enacted
<b><u>Eliminate Backlogs &amp; Improve the Disability Process</u></b>		<b><u>\$11,572</u></b>	<b><u>\$34,344</u></b>
Compassionate Allowances		\$2,000	\$2,080
Consultative Examination Study		\$201	\$0
Disability Determination Process Small Grants		\$0	\$300
Disability Research Consortium (DRC)		\$0	\$5,000
Evaluation of Ticket to Work (TTW)		\$2,979	\$1,600
Listing of Impairments		\$0	\$0
National Beneficiary Survey (NBS)		\$0	\$5,000
Occupational Information Systems (OIS)		\$990	\$7,300
Other Disability Research		\$3,071	\$2,182
Programmatic Longitudinal Disability Data Repository (PLDDR)		\$878	\$4,832
Promoting Readiness of Minors in SSI (PROMISE)		\$0	\$2,800
SSI Childhood Disability Study		\$0	\$0
Temporary Assistance to Needy Families (TANF)		\$6	\$500
WIPA Web-based Data Collection		\$0	\$1,400
Youth Transition Demonstration (YTD)		\$1,446	\$1,350
<b><u>Improve Our Retiree &amp; Other Core Services</u></b>		<b><u>\$1,871</u></b>	<b><u>\$1,554</u></b>
Medicare Outreach		\$1,871	\$1,554
Preserve the Public's Trust in Our Programs		<b><u>\$15,500</u></b>	<b><u>\$11,324</u></b>
CENSUS Surveys		\$1,000	\$750
Health & Retirement Study		\$2,735	\$3,000
Modernization of Statistical Table Processes		\$1,347	\$1,550
Other Data Development		\$263	\$290
Retirement Research Consortium (RRC)		\$8,117	\$5,000
Retirement Income Modeling		\$2,039	\$734
<b><u>Special Initiative – Encourage Savings</u></b>		<b><u>\$3,578</u></b>	<b><u>\$4,200</u></b>
American Life Panel (ALP) Enhancements		\$968	\$1,000
Collaboration with Other FLEC Members		\$991	\$1,400
Health & Retirement Study (HRS) Supplement		\$1,500	\$1,500
Programmatic Development		\$119	\$300
<b><u>Total Obligations</u></b>		<b><u>\$32,521</u></b>	<b><u>\$51,422</u></b>
<b><u>New Budget Authority</u></b>		<b><u>\$42,928</u></b>	<b><u>\$7,998</u></b>
*Totals may not add due to rounding			

## Fiscal Year 2011 Workload Data: Disability Appeals \*



\*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2011, regardless of the year in which the initial claim was filed, and regardless of whether the claimant ever received benefits (in a small number of cases with a favorable disability decisions benefits are subsequently denied because the claimant does not meet other eligibility requirements.) Does not include claims where an eligibility determination was reached without a determination of disability. If a determination or appeals decision was made on Title II and Title XVI claims for the same person, the results are treated as one concurrent decision.

1/About 23% of initial level denials are issued in States that use the Disability Prototype process, which eliminates the reconsideration step of the appeals process. The first level of appeal for these cases is a hearing before an Administrative Law Judge.

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

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

Date Prepared: December 20, 2011, **Office of Budget Receipt Additions January 10, 2012**

Data Sources:

- 1) Initial and Reconsideration Data: SSA State Agency Operations Report
- 2) Administrative Law Judge and Appeals Council data: SSA Office of Disability Adjudication and Review (ODAR)
- 3) Federal Court data: SSA Office of General Counsel



## New National Data Center Project Milestones

<b>Planned</b>	<b>Actual</b>	<b>Milestone</b>
Aug 2010	Aug 2010	Program of Requirements
Feb 2011	Feb 2011	Recommend Site
Sep 2011	Aug 2011	Acquire Site
Mar 2012	Jan 2012	Award Design-Build Construction
Dec 2014	TBD	Complete Construction
Feb 2015	TBD	Complete Commissioning

### Historical Staff-on-Duty by Major SSA Component

(Includes full time, part time, and temporary employees)

	<u>FY 2010</u> <u>Actual</u>	<u>FY 2011</u> <u>Actual</u>
<b>Field Offices</b>	31,331	29,652
<b>Teleservice Centers</b>	5,206	4,802
<b>Processing Centers</b>	11,868	11,216
<b>Regional Offices</b>	1,989	1,801
<b>Operations Subtotal</b>	<b>50,394</b>	<b>47,471</b>
<b>Office of Disability Adjudication and Review</b>	10,055	9,963
<b>Systems</b>	3,405	3,384
<b>Office of Quality Performance</b>	1,343	1,271
<b>Headquarters</b>	5,005	4,784
<b>SSA Total</b>	<b>70,202</b>	<b>66,873</b>

## **Key Assumptions and Cost Drivers**

In recognition of the difficult financial climate facing our nation, we have formulated our budget to be as cost-effective as possible. We continue to do everything we can to reduce our costs, and keep our programs a very good value for the American taxpayers. However, despite our best efforts, our costs are continuing to rise each year and we must have the funds necessary to meet the growing need. For FY 2012, our actuaries have estimated that our beneficiary population will grow by 1,210,000 for Retirement and Survivors benefits, 435,000 for Disability benefits, and 215,000 for SSI benefits, increasing our workloads and putting further strain on our employees.

In light of these difficulties, we formulated this budget to address the following challenges:

- High demand for service due to the aging of the population and the effects of the economic downturn;
- Unacceptable hearings backlog levels;
- Complex and cumbersome disability process;
- Growing non-traditional workloads (e.g., immigration and Medicare);
- Ongoing need to address improper payments and to complete Budget Control Act program integrity levels;
- Ongoing need to find efficiencies and streamline business processes;
- Aging computer systems;
- Threats to computer systems that store sensitive and personal information on all Americans;
- Rising infrastructure costs; and
- State furloughs of DDS employees.