

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

Congressional Response Report

The Social Security
Administration's Disability
Research Consortium

A-01-13-23051/ February 2013

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

February 1, 2013

The Honorable Sam Johnson
Chairman, Subcommittee on
Social Security
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

Dear Chairman Johnson:

On September 4, 2012, we received a request from the House Committee on Ways and Means, Subcommittee on Social Security, to answer specific questions regarding the Social Security Administration's Disability Research Consortium grants.

Thank you for the opportunity to provide the Committee with this information. We are also providing a copy of this report to the Agency.

If you have any questions concerning this matter, please call me or have your staff contact Misha Kelly, Special Agent-in-Charge of Congressional Affairs, at (202) 358-6319.

Sincerely,



Patrick P. O'Carroll, Jr.
Inspector General

Enclosure

cc:
Michael J. Astrue

*Summary of The Social Security Administration's Disability
Research Consortium
A-01-13-23051*



February 2013

Objective

To answer specific questions from the Subcommittee on Social Security regarding the Social Security Administration's (SSA) Disability Research Consortium (DRC) grants.

Background

The DRC is designed to establish a disability research program that meets SSA's growing need for research-based information on matters related to program and public policy. The DRC comprises the Mathematica Policy Research's (MPR) Center for Studying Disability Policy and the National Bureau of Economic Research's (NBER) Disability Research Center.

On July 30, 2012, SSA awarded these Centers 5-year cooperative agreements.

On September 4, 2012, we received a request from the Committee on Ways and Means, Subcommittee on Social Security, to answer specific questions regarding the DRC grants.

Our Findings

SSA awarded the MPR and NBER Centers 5-year cooperative agreements running from August 1, 2012 through July 31, 2017. For Fiscal Year 2013, SSA provided MPR \$2.2 million and NBER \$2.8 million. Funding in subsequent years depends on future appropriations and budgetary approval.

For Fiscal Year 2013, each Center will work on a series of projects. The deliverables will include such things as project reports and policy abstracts. For each of the remaining grant years, SSA will select new projects from the DRC Centers. SSA and the Centers for the Research Retirement Consortium perform functions related to retirement policy. However, the other organizations and grantees in our review do not do this since each grant is intended for one project.

To select the Centers for the DRC, SSA used an external panel. SSA selected the panel members based on their experience with Federal programs for the disabled or knowledge of such programs and the public policy issues associated with them. Once selected, the Agency instructed the panel members to independently score the applications using a number of criteria and recommend centers based on these scores, the feasibility and adequacy of the project plans and methodologies, and how the centers jointly met the DRC's objectives. Once this was done, SSA convened and chaired a meeting for panel members to discuss the applications and finalize their scores. Following the meeting, an SSA staff member sent the panel's recommendations to the approving official. The approving official followed the panel's recommendations after considering them and other factors. To ensure the integrity of the selection process, SSA had the panel members sign a *Representation of Absence of Conflict of Interest* statement and a grants management officer monitored the process.

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ABBREVIATIONS

ADA	American Diabetes Association
DI	Disability Insurance
DoD	Department of Defense
DRC	Disability Research Consortium
GMO	Grants Management Officer
MPR	Mathematica Policy Research, Inc.
NBER	National Bureau of Economic Research
NOAA	National Oceanic and Atmospheric Administration
OAG	Office of Acquisition and Grants
ORES	Office of Research, Evaluation, and Statistics
PO	Program Official
RRC	Research Retirement Consortium
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
UI	Unemployment Insurance
U.S.C.	United States Code
VA	Veterans Affairs
VR	Vocational Rehabilitation

OBJECTIVE

Our objective was to answer specific questions from the Subcommittee on Social Security regarding the Social Security Administration's (SSA) Disability Research Consortium (DRC) grants.

BACKGROUND

The DRC is designed to establish a disability research program that meets SSA's growing need for research-based information on matters related to program and public policy.¹ The DRC comprises the Mathematica Policy Research Inc.'s, (MPR) Center for Studying Disability Policy and the National Bureau of Economic Research's (NBER) Disability Research Center. On July 30, 2012, SSA awarded these Centers 5-year cooperative agreements.²

On September 4, 2012, we received a request from the Committee on Ways and Means, Subcommittee on Social Security, to answer specific questions regarding the DRC grants. Some of the questions asked us to compare certain aspects of the DRC grants to other grants awarded by SSA (such as those for the Research Retirement Consortium [RRC]),³ other Federal agencies, or the private sector. See Appendix A for a copy of the congressional request.

To conduct our review, we obtained information on the DRC and RRC grants as well as grants from other organizations, as shown in Table 1. Like the DRC and RRC grants, the grants in Table 1 are for research in a particular area. See Appendix B for additional information regarding our scope and methodology.

Table 1: Other Organizations Reviewed

Name of Organization	Type of Organization	Grant
National Oceanic and Atmospheric Administration (NOAA)	Federal Agency	Prescott
American Diabetes Association (ADA)	Nonprofit	Collaborative Co-Support
Bill & Melinda Gates Foundation	Nonprofit	Family and Community Roles in Supporting Student Success

¹ SSA administers benefits to disabled individuals through its Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs. *Social Security Act* §§ 223 *et seq.* and 1611 *et seq.*, 42 U.S.C. §§ 423 *et seq.* and 1382 *et seq.*

² A cooperative agreement is a grant that SSA uses when it anticipates substantial Federal involvement during the conduct of a recipient's project. *Social Security Act* § 1110, 42 U.S.C. § 1310.

³ The RRC focusses on matters related to retirement policy.

RESULTS OF REVIEW

Through our research, we answered the Subcommittee on Social Security’s questions regarding SSA’s DRC grants. The Subcommittee’s questions as well as our responses are shown below.

1. Provide award information for each of the awarded centers, including amount of the award, time period, and recipient. What are the conditions for funding in subsequent years?

SSA awarded the MPR and NBER Centers 5-year cooperative agreements running from August 1, 2012 through July 31, 2017. In the first year, SSA provided MPR \$2.2 million and NBER \$2.8 million. Funding in subsequent years depends on future appropriations and budgetary approval.

2. What specific projects have been funded for each center? What are the deliverables?

Table 2 lists the DRC projects SSA funded for MPR and NBER. See Appendix C for a description of each project.

Table 2: SSA-Funded DRC Projects for MPR and NBER

MPR
Identification of the Most Promising Target Populations for Early Intervention
Department of Defense, Veterans Affairs, and Social Security Benefits: Early Intervention Initiatives and Program Interactions
Analyses of Supported Employment and Disability Benefit Data
Disability Support Needs Under Health Reform
Outcomes of Youth and Young Adults Seeking Vocational Rehabilitation Services
International Efforts to Serve Youth and Young Adults with Disabilities
NBER
Social Insurance, Firms, and Workers’ Sickness Absences: Evidence from Austrian Social Security Data
An International Comparison of the Efficiency of Government Disability Programs
The Impact of Short-Term Disability Insurance Coverage on Employment and SSDI Enrollment
Assessing the Interaction of Unemployment Insurance and SSDI
State-Dependent Utility and Insurance Purchase Decisions
Understanding the Increase in Disability Insurance Spending
Exploring the Growth of the Child SSI Caseload in the Context of the Broader Policy and Demographic Landscape
Chronic Disease, Functional Status Limitations, and SSDI Payments
The Effect of SSI Children’s Program on Parental Labor Supply and Long-Term Outcomes of Enrolled Children
SSDI Replacement Rates and Beneficiary Work Activity
How Financial Incentives Induce Disability Insurance Recipients to Return to Work

SSA expects the following deliverables from MPR and NBER:

- reports (including executive summaries) on their projects;
 - policy abstracts;
 - establishment of a small grant program that provides Dissertation and Pre/Post-Doctoral Fellowships as well as Young Investigator grants to develop a diverse corps of researchers who focus their analytical skills on disability research and policy issues;
 - dissemination of research results through their Websites as well as electronic notifications and communications;
 - Federal staff briefings;
 - annual conferences;
 - quick turnaround projects (such as a seminar or small conference on a specific issue or question, personal consultation with a researcher to learn more about a specific issue, or spin-off of recent research); and
 - progress reports.
- 3. Are projects selected on an annual basis or will these projects be completed on a rolling basis throughout the award period? Does the award include funds for new ideas outside these projects? If so, how much of the funding is for non-specified projects? How does this compare to other contracts within the Agency (that is, Retirement Research Consortium) or outside the Agency (that is, other Federal agencies or in the private sector)?**

SSA will request that the Centers for the DRC submit proposals for research projects annually. SSA researchers and subject matter experts will review these proposals and forward their recommendations to an SSA official for final approval. For Fiscal Year 2013, the reviewers only approved 57 percent of the Centers' proposed research projects because some of those projects lacked suitability.

In addition to these research projects, the Centers will conduct quick turnaround projects initiated by SSA. For Fiscal Year 2013, each Center's award includes \$795,968 for these projects. SSA anticipates the Centers will need these funds to address disability program questions that arose during the review of the Centers' proposed research projects and other issues that may arise through the collaboration between the Agency and the Centers.⁴

⁴ Grant numbers 1 DRC12000001-01-00 and 1 DRC12000002-01-00, SSA (July 30, 2012).

SSA has a similar arrangement with the Centers for the RRC—with one exception. For Fiscal Year 2013, one of the Centers’ awards includes \$299,053 for quick turnaround projects.

However, the arrangements between the other organizations and grantees listed in Table 1 are different from SSA’s arrangement with the Centers for the DRC. These organizations award one grant per project. Therefore, they and their grantees do not annually select projects or have projects completed throughout the year, and the organizations’ grants do not include funds for new ideas.

4. How were centers selected? What was the criteria and process? What were the internal agency controls to ensure the integrity of the selection process? Were external selection panels used? If so, how were members selected and who served on the panels? How does this process compare to other selection processes within the Agency (that is, Retirement Research Consortium) or outside the Agency (that is, other Federal agencies or in the private sector)?

On March 1, 2012, SSA requested applications for the DRC grants.

To select Centers for the DRC, SSA assigned a program official (PO) to arrange an external panel of experts. The PO selected eight individuals for the panel. Six individuals were from Federal agencies with sizeable programs for the disabled. Two individuals from other organizations were selected for their knowledge of (1) public policy issues associated with Federal programs for the disabled and (2) SSA disability programs. The organizations the panel members represented are shown in Table 3.

Table 3: Organizations the Panel Members Represented

Name of Organization	Number of Panel Members
Federal Reserve Bank	1
Department of Health and Human Services	2
Center on Budget and Policy Priorities	1
Department of Education	2
Department of the Navy	1
Department of Labor	1
Total	8

The PO instructed each panel member to independently score the Centers’ applications using specific criteria and recommend Centers based on (1) these scores, (2) the feasibility and adequacy of the project plans and methodologies, and (3) how the Centers jointly met the DRC’s objectives. Once this was done, SSA convened and chaired a meeting for panel members to discuss the applications and finalize their scores. Following the meeting, an SSA staff member sent the panel’s recommendations to the approving official. The approving official followed the

panel's recommendations after considering them and other factors, such as duplication of internal and external research effort. For the selected applicants, SSA sent an electronic Notice of Award.

The panel members scored each application based on the following.

- How well the applicant (a) understood the issues or trends influencing disability policy and (b) tied this knowledge to his/her research agenda.
- Whether the applicant (a) had a research agenda that was scientifically sound and policy relevant, (b) was likely to significantly contribute to his/her proposed research areas, and (c) proposed projects that closely fit the DRC's objectives.
- How effective the applicant's strategies were for disseminating research and other related information to a broad and disparate set of academic, research, and policy communities as well as the public.
- How effective the applicant's strategies were for (a) developing new scholars who focus their analytical skills on research and policy issues central to the DRC and (b) educating the academic community and practitioners on new techniques and research findings on policy issues.
- How committed and qualified the applicant's director and staff were to achieving the activities associated with the DRC, how well they worked with a range of government agencies, and how capable they were at providing policy relevant support to these agencies.
- Whether the applicant had an appropriate budget for carrying out the planned staffing and activities and had additional funding from other sources.

To ensure the integrity of the selection process, the PO had each panel member sign a *Representation of Absence of Conflict of Interest* statement. In addition, SSA assigned a grants management officer (GMO) to initially process the applications and any related documents, approve the scoring instructions, sign the Notice of Award after the approving official makes his/her decision, and perform other duties. By signing the Notice of Award, the GMO certifies that the notice is complete and the grant is in accordance with all applicable laws and regulations as well as SSA grant and program policies.

In general, SSA and NOAA used the same selection process as shown above for the RRC and Prescott grants, respectively. ADA and the Bill & Melinda Gates Foundation also used similar processes for their grants with some exceptions.

- **ADA.** After independently scoring the applications, the external panel did not make recommendations for an approving official to consider. Instead, the external panel presented the proposals within the highest scoring applications to ADA's Grant Review Committee and discussed the applications' strengths and weaknesses. The Committee consisted of volunteers who possessed a broad range of expertise in diabetes research. Based on these

discussions, the panel and Committee provided final scores for the applications and used those scores to make their selections.

- **Bill & Melinda Gates Foundation.** Staff members evaluated the applications rather than an external panel.
- 5. What was the outreach process prior to receipt of applications? How and under what conditions was technical assistance made available? How did this compare to other contracts within the Agency (e.g. Retirement Research Consortium) or outside the Agency (e.g. other Federal agencies or in the private sector)?**

SSA, NOAA, ADA, and the Bill & Melinda Gates Foundation solicited applications for grants on their Websites. SSA and NOAA also published the solicitations at www.Grants.gov. Additionally, SSA published the solicitations for the DRC at www.GrantSolutions.gov and the RRC in the Federal Register.⁵

SSA, NOAA, and ADA provided technical assistance to their grant applicants while the Bill & Melinda Gates Foundation did not. SSA, NOAA, and ADA assisted grant applicants with registration, application submission, and certain application content.

SSA and NOAA provided assistance by email, telephone, regular mail, or fax to their grant applicants. SSA and NOAA also provided a list of questions and answers on the Web for the DRC and Prescott grant applicants, respectively. Additionally, SSA assisted attendees at a webinar the Agency conducted on the DRC grants under the White House Initiative on Historically Black Colleges and Universities.⁶ ADA only assisted grant applicants by email and through a list of questions and answers on the Internet.

CONCLUSIONS

Through our research, we answered the Subcommittee on Social Security's questions regarding SSA's DRC grants. Below are summaries of our answers.

SSA awarded the MPR and NBER Centers 5-year cooperative agreements running from August 1, 2012 through July 31, 2017. For Fiscal Year 2013, SSA provided MPR \$2.2 million and NBER \$2.8 million. Funding in subsequent years depends on future appropriations and budgetary approval.

⁵ After soliciting grant applications for the RRC, SSA published solicitations for grant applications in www.GrantSolutions.gov, instead of in the Federal Register. GrantSolutions is SSA's electronic grants system. Publishing solicitations in it allows for system-to-system collection of grant applications from the www.grants.gov Website.

⁶ Exec. Order No. 13,532, *Promoting Excellence, Innovation, and Sustainability at Historically Black Colleges and Universities*, February 2010, 75 Fed. Reg. 9,749 (March 3, 2010).

For Fiscal Year 2013, each Center will work on a series of projects. The deliverables will include such things as project reports and policy abstracts. For each of the remaining grant years, SSA will select new projects from the DRC Centers. SSA and the Centers for the RRC also do this. However, the other organizations and grantees in our review do not do this since each grant is intended for one project.

To select the Centers for the DRC, SSA used an external panel. SSA selected the panel members based on their experience with Federal programs for the disabled or knowledge of such programs and the public policy issues associated with them. Once selected, the Agency instructed the panel members to independently score the applications using a number of criteria and recommend centers based on these scores, the feasibility and adequacy of the project plans and methodologies, and how the centers jointly met the objectives of the DRC. Once this was done, SSA convened and chaired a meeting for panel members to discuss the applications and finalize their scores. Following the meeting, an SSA staff member sent the panel's recommendations to the approving official. The approving official followed the panel's recommendations after considering them and other factors. To ensure the integrity of the selection process, SSA had the panel members sign a *Representation of Absence of Conflict of Interest* statement, and a GMO monitored the process.

In general, SSA and NOAA used the same selection process as shown above for the RRC and Prescott grants, respectively. ADA and the Bill & Melinda Gates Foundation used similar processes for their grants with some exceptions.

SSA and the other organizations generally solicited applications for grants on one or more Websites. SSA, NOAA, and ADA provided technical assistance to their grant applicants. Specifically, SSA, NOAA, and ADA assisted grant applicants with registration, application submission, and certain application content. SSA and NOAA generally provided assistance by email, telephone, regular mail, or fax to their grant applicants. SSA and NOAA also provided a list of questions and answers on the Internet for the DRC and Prescott grant applicants, respectively. ADA only assisted grant applicants by email and through a list of questions and answers on the Internet.

APPENDICES

Appendix A – CONGRESSIONAL REQUEST

SAM JOHNSON, TEXAS
SUBCOMMITTEE CHAIRMAN
KEVIN BRADY, TEXAS
PAT TIBERI, OHIO
AARON SCHOCK, ILLINOIS
RICK BERG, NORTH DAKOTA
ADRIAN SMITH, NEBRASKA
KENNY MARCHANT, TEXAS

XAVIER BECERRA, CALIFORNIA
SUBCOMMITTEE RANKING MEMBER
LLOYD DOGGETT, TEXAS
SHELLEY BERKLEY, NEVADA
FORTNEY PETE STARK, CALIFORNIA

Congress of the United States
House of Representatives
COMMITTEE ON WAYS AND MEANS
WASHINGTON, DC 20515

SUBCOMMITTEE ON SOCIAL SECURITY

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KIM HILDRED, SUBCOMMITTEE STAFF DIRECTOR

JANICE MAYS, MINORITY CHIEF COUNSEL
KATHRYN OLSON, SUBCOMMITTEE MINORITY STAFF

September 4, 2012

The Honorable Patrick P. O'Carroll, Jr.
Inspector General
Office of the Inspector General
Social Security Administration
6401 Security Boulevard
Woodlawn, MD 21207

Dear Mr. O'Carroll:

The Social Security Disability Insurance program paid benefits to over 8.7 million disabled workers in July 2012, with an average monthly benefit of \$1,111. According to the 2012 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, the Disability Insurance Trust Fund will be exhausted in 2016, just 4 years from now. At that time all disability beneficiaries will face an across-the-board 21 percent cut unless Congress acts to strengthen this essential program. As we consider ways to strengthen the disability program, expert research provides important insights for the Subcommittee to consider.

Recently the Social Security Administration awarded two grants for the new Disability Research Consortium to Mathematica and the National Bureau of Economic Research. This new Disability Research Consortium will fund research into the disability program. We are interested in understanding the size, scope and duration of the grants, and the selection process used. We would like to compare this experience with Social Security's ongoing Retirement Research Consortium grants. More specifically, we ask that your office also respond to the following questions:

- Please provide award information for each of the awarded centers, including amount of the award, time period, and recipient. What are the conditions for funding in subsequent years?

- What specific projects have been funded for each center? What are the deliverables? Are projects selected on an annual basis or will these projects be completed on a rolling basis throughout the award period? Does the award include funds for new ideas outside of these projects? If so, how much of the funding is for non-specified projects? How did this compare to other contracts within the agency (e.g. Retirement Research Consortium) or outside the agency (e.g. other Federal agencies or in the private sector)?
- How were centers selected? What was the criteria and process? What were the internal agency controls to ensure the integrity of the selection process? Were external selection panels used? If so, how were these members selected and who served on the panels? How does this process compare to other selection processes within the agency (e.g. Retirement Research Consortium) or outside the agency (e.g. other Federal agencies or in the private sector)?
- What was the outreach process prior to receipt of applications? How and under what conditions was technical assistance made available? How did this compare to other contracts within the agency (e.g. Retirement Research Consortium) or outside the agency (e.g. other Federal agencies or in the private sector)?

Thank you for your assistance. Should you or your staff have any questions concerning this matter, please contact Kim Hildred, Subcommittee Staff Director at (202) 225-9263.

Sincerely,

A handwritten signature in black ink that reads "Sam Johnson". The signature is written in a cursive, slightly slanted style.

SAM JOHNSON
Chairman

Appendix B – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable sections of the Social Security Administration’s (SSA) laws, regulations, rules, and procedures.
- Reviewed the following Office of the Inspector General reports: *University of Michigan Retirement Research Center* (A-02-09-19081), September 2009; *Contract with Mathematica Policy Research, Inc., for Services to Evaluate Youth Transition Demonstration Projects* (A-06-09-19061), December 2009; and *The Social Security Administration’s Financial Literacy Research Consortium* (A-08-10-20181), October 2010.
- Reviewed information on grants for SSA’s Disability and Retirement Research Consortiums.
- Reviewed publicly available information on grants for research programs from other organizations, including the National Oceanic and Atmospheric Administration, American Diabetes Association, and Bill & Melinda Gates Foundation.
- Interviewed and gathered information from staff in SSA’s Offices of Acquisition and Grants (OAG) and Research, Evaluation, and Statistics (ORES).

We conducted our review from September through November 2012 in Boston, Massachusetts. The principal entities audited were OAG under the Office of the Deputy Commissioner for Budget, Finance, and Management and ORES under the Office of the Deputy Commissioner for Retirement and Disability policy. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*.

Appendix C – DISABILITY RESEARCH CONSORTIUM

The Social Security Administration’s (SSA) Disability Research Consortium (DRC) comprises the Mathematica Policy Research Inc.’s, (MPR) Center for Studying Disability Policy and the National Bureau of Economic Research’s (NBER) Disability Research Center. These Centers are responsible for projects aimed at improving disability policy. Below are brief descriptions of these projects.

DRC Projects by MPR

- **Identification of the Most Promising Target Populations for Early Intervention.** The goal of this project is to develop information on the characteristics of workers who receive Social Security Disability Insurance (SSDI) benefits and their employers as well as the pathways by which the workers enter the SSDI rolls. The research is designed to support the development of plans to target new employment support services to those workers most likely to postpone labor force exit and SSDI entry as a result of receiving the services.
- **Department of Defense, Veterans Affairs, and Social Security Benefits: Early Intervention Initiatives and Program Interactions.** In this project, MPR will learn about the experience the Department of Defense (DoD) and Veterans Affairs (VA) had with early intervention initiatives for disabled veterans. This knowledge may be used to develop a similar initiative for civilians. MPR will also assess the interactions among DoD, VA, and SSA disability programs. This assessment may lead to the development of options that would improve employment outcomes for veterans and reduce their reliance on SSA’s disability programs. It will also highlight the complex and sometimes conflicting incentives facing disabled veterans—which may lead to achieving more efficiently integrated benefits.
- **Analysis of Supported Employment and Disability Benefit Data.** The objectives of this project are to learn more about (1) the long-term impacts of time-limited supported employment on earnings, benefit receipt, and mortality; (2) how beneficiaries rely on a combination of work and benefits for support; and (3) factors that influence job separations for beneficiaries. This information may be used to design programmatic innovations that will help individuals with psychiatric disabilities increase their earnings and reduce their reliance on public programs.
- **Disability Support Needs Under Health Reform.** The objective of this project is to determine the disability support needs for currently, and potentially, employed individuals with disabilities who are covered under the health care reform law.¹ This information will help design a plan to ensure employed individuals with disabilities have adequate benefits to pay for their disability support needs.

¹ *Patient Protection and Affordable Care Act*, Pub. L. No. 111-148, 124 Stat. 119 (2010).

- **Outcomes of Youth and Young Adults Seeking Vocational Rehabilitation Services.** State Vocational Rehabilitation (VR) agencies serve a critical role in helping young individuals with disabilities transition from high school to employment, often by offering them additional training and higher education. This project will explore variations in VR use among young individuals with disabilities and their employment and benefit outcomes. This exploration could reveal that VR agencies have practices in some areas that, if applied in other areas, could improve outreach and enrollment in services. It could also reveal that some VR agencies have practices that result in better outcomes for young individuals with disabilities. If so, this information may be important for other agencies and for existing or future programs.
- **International Efforts to Serve Youth and Young Adults with Disabilities.** In this project, MPR will review programs—such as cash and supplemental benefits, vocational supports, and time-limited programs—and reforms for young individuals with disabilities in other countries to identify ways SSA and others can improve supports for young individuals with disabilities in the United States.

DRC Projects by NBER

- **Social Insurance, Firms, and Workers' Sickness Absences: Evidence from Austrian Social Security Data.** Austria and many other countries have social security systems through which they refund firms for their workers' absences because of sickness. This type of insurance may lead to an under-investment in the prevention of absences. Through a quasi-experiment, NBER will estimate the effect different refund levels paid under the Austrian social security system have on the incidence and duration of sickness absences. This experiment will also provide evidence on the extent to which Austrian firms under-invest in preventing sickness absences and the potential for such firms to influence these absences.
- **An International Comparison of the Efficiency of Government Disability Programs.** In this project, NBER will estimate the efficiency of international Disability Insurance (DI) programs in their ability to screen applicants and thereby avoid errors. These errors include providing benefits to healthy individuals and denying benefits to unhealthy individuals. To determine this estimate, NBER will use data on 12 different countries from various sources.
- **The Impact of Short-Term DI Coverage on Employment and SSDI Enrollment.** In this project, NBER will estimate the effect of short-term disability coverage on labor force participation and enrollment in the SSDI program. To do this, NBER will use various research strategies and rely on several data sources—such as SSA and the Census Bureau.
- **Assessing the Interaction of Unemployment Insurance and SSDI.** In this project, NBER will obtain data from various sources to (1) determine whether Unemployment Insurance (UI) extensions in recessions can affect the number of applications and the financial burden on the SSDI program, (2) determine the extent to which economic conditions lead workers to apply for SSDI when given additional UI benefits, and (3) draw a detailed picture of earnings, employment, and unemployment dynamics around SSDI applications.

- **State-Dependent Utility and Insurance Purchase Decisions.** This project will use a survey approach to determine whether an individual’s state (healthy or sick) influences his/her value of insurance products, such as supplemental DI or long-term care insurance. This information will not only help NBER better understand the determinants of private sector DI, but will also help NBER assess more accurately the effects of the Social Security disability program on an individual’s welfare and how these effects vary across the population.
- **Understanding the Increase in DI Spending.** Spending on Social Security disability benefits has increased since 1984. In this project, NBER will identify the share of this increase in spending attributable to demographic, policy, and labor market changes. The goal is to determine whether the increase in spending on Social Security disability benefits is likely to continue or stabilize, now that baby boomers are converting from disability benefits to retirement benefits and policy changes that took place in 1984 have had a chance to fully work through the system.
- **Exploring the Growth of Child Supplemental Security Income Caseload in the Context of the Broader Policy and Demographic Landscape.** The child Supplemental Security Income (SSI) caseload more than tripled between 1989 and 2010, and it continues to grow.² The main objectives of this project are to investigate the extent to which the growth in the SSI caseload (1) reflects broader trends in disability diagnoses among children in the United States, as compared to the incentives implicit in the provisions of the SSI program and (2) is driven by the limits of other social programs serving overlapping populations, such as special education programs.
- **Chronic Disease, Functional Status Limitations, and SSDI Payments.** Over the past decade, driven in part by rising obesity prevalence, many indicators of disability have deteriorated in the United States. In this project, NBER seeks to address how this change in health status as well as how policy-induced changes in chronic disease prevalence and certain disability rates will affect future Social Security outlays.
- **The Effect of SSI Children’s Program on Parental Labor Supply and Long-Term Outcomes of Enrolled Children.** In the first year of the project, NBER will evaluate the effect of the SSI children's program on parental labor supply and the future earnings of enrolled children. If awarded a second year of funding, NBER will study the effect of SSI on such things as Medicaid enrollment and the educational outcomes of enrolled children.

² SSI is a needs-based program for eligible individuals who are disabled, blind, or aged. *Social Security Act* § 1611 *et seq.*, 42 U.S.C. § 1382 *et seq.*

- **SSDI Replacement Rates and Beneficiary Work Activity.** The rate at which the SSDI program replaces an individual's previous earnings decreases as his/her Average Indexed Monthly Earnings increases.³ In this project, NBER will examine how this policy affects work activity and the probability of exiting the SSDI program. It will also examine how this relationship varies by age, gender, type of disability, and business cycle conditions.
- **How Financial Incentives Induce DI Recipients to Return to Work.** This project will identify how financial incentives induce DI recipients to return to work. This information will help SSA to understand whether many individuals who are deemed totally and permanently disabled have the capacity to work and how elastic their labor supply is to changes in financial incentives.

³ The Average Indexed Monthly Earnings is an average of up to 35 years of earnings adjusted or indexed to reflect the change in general wage levels that occurred during the worker's years of employment.

Appendix D – MAJOR CONTRIBUTORS

Judith Oliveira, Director, Boston Audit Division

Phillip Hanvy, Audit Manager

Toni Paquette, Auditor

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing