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APPROPRIATION LANGUAGE

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed [~~\$15,000~~]~~\$45,000~~ for official reception and representation expenses, not more than [~~\$10,067,500,000~~]~~\$10,800,500,000~~ may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That not less than [~~\$2,000,000~~]~~\$2,300,000~~ shall be for the Social Security Advisory Board: *Provided further*, That unobligated balances of funds provided under this paragraph at the end of fiscal year [~~2009~~]~~2010~~ not needed for fiscal year [~~2009~~]~~2010~~ shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to 5 U.S.C. 7131, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

From funds provided under the first paragraph, not less than [~~\$264,000,000~~]~~\$273,000,000~~ shall be available for the cost associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act.

Limitation on Administrative Expenses

In addition to the amounts made available above, and subject to the same terms and conditions, [~~\$240,000,000~~]~~\$485,000,000~~, for additional continuing disability reviews and redeterminations of eligibility, *of which, upon a determination by the Commissioner of Social Security that such initiative would be at least as cost-effective as redeterminations of eligibility, up to \$34,000,000 shall be available for one or more initiatives to improve asset verification: Provided, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these additional amounts, similar to the reports that were required by section 103(d)(2) of Public Law. 104-121 for fiscal years 1996 through 2002.*

In addition, [~~\$145,000,000~~]~~\$165,000,000~~ to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2009]2010 exceed [~~\$145,000,000~~]~~\$165,000,000~~, the amounts shall be available in fiscal year [2010]2011 only to the extent provided in advance in appropriations Acts.

In addition, up to [~~\$1,000,000~~]~~\$500,000~~ to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2009.*)

LANGUAGE ANALYSIS

The Limitation on Administrative Expenses (LAE) appropriation language provides the Social Security Administration (SSA) with the funds needed to administer the Old Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) programs, and to support the Centers for Medicare and Medicaid Services in administering their programs. The LAE account is funded by the OASI, DI, and Medicare trust funds for their share of administrative expenses, by the General Fund of the Treasury for the SSI program’s share of administrative expenses, and through applicable user fees. The language provides the limitation on the amounts that may be expended, in total from these separate sources, for the administrative expenses of the agency.

In addition to the base request, SSA is requesting \$485,000,000 in cap adjustment funding specifically for program integrity workloads including continuing disability reviews (CDRs) and SSI non-medical redeterminations (redeterminations). Funding also allows SSA to use up to \$34,000,000 on asset verification initiatives such as Access to Financial Institutions, pending determination that these initiatives are at least as cost-effective as redeterminations. This process will help us identify individuals who have financial accounts exceeding the SSI resource limits.

In addition to the appropriated amounts, SSA is authorized to spend up to \$165,000,000 in SSI state supplemental user fees and up to \$500,000 in non-attorney representative fees.

Table 3.1—Appropriation Language Analysis

Language Provision	Explanation
<p><i>“Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2009]2010 not needed for fiscal year [2009]2010 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure.”</i></p>	<p>Allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.</p>
<p><i>“From funds provided under the first paragraph, not less than [\$264,000,000]\$273,000,000 shall be available for the cost associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act.”</i></p>	<p>Of the \$10,800,500,000 appropriated for the LAE account, \$273,000,000 shall be available for conducting DI and SSI CDRs and SSI redeterminations of eligibility.</p>

Appropriation Language Analysis continued on the next page

Limitation on Administrative Expenses

“In addition to the amounts made available above, and subject to the same terms and conditions, [~~\$240,000,000~~]~~\$485,000,000~~, for additional continuing disability reviews and redeterminations of eligibility, of which, upon a determination by the Commissioner of Social Security that such initiative would be at least as cost-effective as redeterminations of eligibility, up to \$34,000,000 shall be available for one or more initiatives to improve asset verification: Provided, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these additional amounts, similar to the reports that were required by section 103(d)(2) of Public Law 104-121 for fiscal years 1996 through 2002.”

“In addition, [~~\$145,000,000~~]~~\$165,000,000~~ to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2009]2010 exceed [~~\$145,000,000~~] ~~\$165,000,000~~, the amounts shall be available in fiscal year [2010]2011 only to the extent provided in advance in appropriations Acts.”

“In addition, up to [~~\$1,000,000~~]~~\$500,000~~ to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended.”

In addition to the \$10,800,500,000 appropriated, \$485,000,000 is appropriated for additional CDRs and redeterminations. If found to be as cost-effective as redeterminations, up to \$34,000,000 of this amount may be used for asset verification initiatives. At the end of the fiscal year, the Commissioner must submit to Congress a report on the use of these additional funds.

Makes available up to \$165,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$10.45 per check in FY 2009 to \$10.47 in FY 2010, according to increases established by statute. SSA receives the amount collected above \$5.00 from each fee.

Provides for the use of up to \$500,000 derived from fees charged to non-attorneys who represent claimants. These fees were authorized as part of a 5-year demonstration project, which will end in FY 2010. Note: Authorization for this program expires in March 2010 and has not been reauthorized to date.

GENERAL STATEMENT

LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

The LAE account funds the operating expenses of the Social Security Administration and its programs: the OASI and DI programs, the SSI program, certain health insurance and Medicare prescription drug functions, and the Special Benefits for Certain World War II Veterans program. With these funds, SSA will provide service to millions of Americans in our field offices, via telephone, or through the Internet at www.socialsecurity.gov. The LAE account provides the funds SSA needs to perform its core responsibilities, including processing claims and applications for benefits, conducting hearings to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds.

SSA currently employs over 60,000 dedicated public servants in over 1,400 offices nationwide. Combined with over 16,000 state employees in the Disability Determination Services (DDS), they demonstrate their commitment to the American public daily by providing the best service possible. SSA's employees take pride in administering agency programs, realizing that the work they do can affect the lives of all Americans.

FY 2010 PRESIDENT'S BUDGET

SSA's Programs

For FY 2010, SSA is requesting total administrative budget resources of \$11.4 billion. This request will fund our day-to-day operational responsibilities and will allow us to make key investments in addressing our increasing disability and retirement workloads, in program integrity, and in our IT infrastructure.¹ As the baby boomers continue to enter our retirement and disability rolls at increasing rates, it is essential that we have the resources to not only pay for inflationary increases that are out of our control, but also to continue to make progress in dealing with this great influx of work. We expect to process approximately 4.6 million applications for retirement benefits in FY 2010. We will administer \$569 billion in Old Age and Survivors Insurance benefit payments to 42.9 million beneficiaries.

The Disability Insurance program is also experiencing ongoing growth. This budget will fund the staff at the 54 State DDSs who will process about 2.9 million initial disability claims in FY 2010. It will also allow SSA to continue implementing the Hearings Backlog Reduction Plan and make critical changes to the disability process to improve timeliness, quality, and efficiency. These changes will align SSA's disability policy with modern medical technology and knowledge while reducing the number of hearings pending to 727,000 cases by the end of FY 2010. SSA will distribute over \$122 billion in disability benefits to 9.8 million beneficiaries.

¹ The capital asset plans and business case summaries (Exhibit 300s) for each major SSA IT investment are located at www.socialsecurity.gov/exhibit300/.

The Supplemental Security Income program is a nationwide Federal assistance program administered by SSA that guarantees a minimum level of income for needy aged, blind, or disabled individuals. It acts as a safety net for individuals who have little or no Social Security or other income and limited resources. SSA estimates it will pay \$47 billion in Federal benefits to an estimated 7.5 million SSI recipients in FY 2010. Including state supplementary payments, SSA expects to pay a total of \$51.2 billion and administer payments to approximately 7.9 million recipients.

SSA assists the Centers for Medicare and Medicaid Services in administering the Medicare Hospital Insurance (HI), Supplementary Medical Insurance (SMI), and work related to the Prescription Drug programs. In FY 2009, Congress also appropriated funding through the Medicare Improvements Patients and Providers Act (MIPPA) to SSA for activities related to the implementation of changes to the Low-Income Subsidy (LIS) Prescription Drug program. This funding shall be available until expended. SSA also collaborates with the Department of Homeland Security in administering the E-Verify program through verifying the employment eligibility of newly-hired employees by electronically checking employee names, SSNs, dates of birth, and U.S. citizenship status, and resolving discrepancies with the employee when we are unable to electronically verify that information.

American Recovery and Reinvestment Act (ARRA)

As part of the American Recovery and Reinvestment Act enacted in February 2009, Social Security beneficiaries and SSI recipients will receive a one-time economic recovery payment of \$250. The agency will distribute these payments to almost 55 million beneficiaries and recipients by late May. These payments will give seniors and disabled Americans an infusion of funds to help them deal with these difficult economic times. SSA received \$90 million to cover the administrative cost associated with issuing these payments and sending notices to all eligible beneficiaries. This funding is available until expended.

SSA also received \$500 million to help address our increasing disability and retirement workloads. This funding is available through FY 2010 and will allow SSA to hire over 2,000 additional staff. These new employees will increase our capacity to process a growing number of claims. Further, the funding will support information technology acquisitions for the additional workload processing funded from the Recovery Act and will allow us to invest in Health Information Technology Initiatives.

We estimate that in FY 2009, receipts of both retirement and disability claims will each increase by over 300,000 from FY 2008 levels. Together with FY 2009 funding, the resources provided for workload processing by ARRA will allow us to increase our capacity in FY 2009, processing over 300,000 more retirement claims, 30,000 more disability claims, and more than 70,000 additional hearings.

In addition, SSA also received \$500 million for replacement of SSA's National Computer Center (NCC). This funding is available until expended. The NCC houses critical computer operations that are necessary to the prompt and accurate payment of benefits to many Americans and stores data necessary to provide service to all Americans. The current NCC is over 30 years old and it will not be capable of supporting the growing demands of our computer systems and computer-

Limitation on Administrative Expenses

based services into the future. With these recovery funds, we are moving quickly to design and build a new data center.

Program Integrity

The budget includes a special funding mechanism that will provide \$485 million for SSA's program integrity activities, in addition to the \$273 million already included in the base request, for a total of \$758 million. These activities protect taxpayers' trust in our programs by reviewing factors that could affect eligibility for benefits or the payment amount. The two most cost-effective efforts are CDRs and SSI redeterminations. CDRs are periodic reevaluations of medical eligibility factors for DI and SSI disability recipients and are estimated to yield \$10 in lifetime program savings for every \$1 spent. Redeterminations are also a proven investment, by ensuring that SSI recipients are receiving the correct benefit amount based on non-medical factors of eligibility. An estimate based on the FY 2010 request is that redeterminations processed above the base level have a return on investment of \$7 in program savings over 10 years for each \$1 of additional funding spent, including savings accruing to Medicaid. SSA plans to process 329,000 medical CDRs and 2.3 million SSI redeterminations in FY 2010. If found to be as cost effective as redeterminations, up to \$34 million may be used to expand the Access to Financial Institutions project, which automates verification of SSI recipients' assets held in banks. In total, SSA estimates this program integrity funding in FY 2010 will result in over \$6 billion in savings over 10 years, including Medicare and Medicaid savings.

IT Infrastructure

This budget will help to continue our IT Infrastructure Modernization plans that will enable the agency to implement 21st century service delivery paths. IT plays a critical role in our day-to-day operations. Our computers maintain demographic, wage, and benefit information on almost every American. We process an average of over 75 million business transactions per day. Currently, our IT infrastructure supports the payment of more than \$700 billion in benefits to 56 million people and supports the maintenance of hundreds of millions of SSNs and related earnings records for nearly every American.

As individuals accept and use the Internet to conduct more complex and sensitive transactions, secure online service options are essential to providing a quality service experience. SSA is investing in IT to provide improved, customer-focused technology that allows the American public access to a stable, easy-to-use, convenient, and secure suite of services 24 hours a day, 7 days a week.

Investments in New IT Projects

Ready Retirement focuses on public education, simplified enrollment, and streamlined adjudication. In 2008, we introduced a new dynamic Internet application – iClaim - for retirement, spouses, and disability benefits, which streamlines the process by relying on information SSA already has on record. In FY 2009 and FY 2010, we will expand the online filing option to include Medicare claims and other enhancements. All of our work in this area also helps us with program simplification by making it easier for people to apply for benefits.

Disability Direct will automate the processing of online disability claims. It will improve the online disability claim and appeals process by streamlining the collection of information, which will improve our labor-intensive disability workload. This streamlined process will provide more time for employees to handle other workloads. It will also fulfill the public's expectation of convenient, effective, and secure electronic service delivery options.

Quick, Simple, and Safe SSNs will provide better, faster, and more secure SSN processing. We are developing an electronic process that will include an online application allowing individuals to apply – in a secure manner – for simple replacement Social Security cards through our website. This Internet application will reduce the amount of traffic in our field offices, freeing up front-line personnel to handle more complex workloads. We plan to implement signature proxy alternatives to the pen-and-ink or “wet” paper-based signatures currently required. We also plan to expand Enumeration at Entry, which helps the Government reduce fraud and improve efficiency. Under this process, the Department of Homeland Security (DHS) and the Department of State assist SSA in enumerating immigrants. The Department of State collects enumeration data as part of the immigration process. When an immigrant enters the United States, DHS notifies SSA and we issue an SSN card.

Health Information Technology (HIT) will enable us to take advantage of the progress that the medical community is making in automating their services through Electronic Health Records (EHRs) and Personal Health Records. We are a leader in integrating this new technology into our business process. We are currently conducting two pilots to test how we can use HIT to make our disability process more timely, efficient, and accurate. The Medical Evidence Gathering and Analysis Health Information Technology prototype initiated this process in Massachusetts in August 2008, with Beth Israel Deaconess Medical Center as a HIT participating source and the Massachusetts DDS as a HIT participating DDS site. Further, as part of our HIT initiatives, we are a leader in the development and use of the Nationwide Health Information Network (NHIN), the Nation's electronic network of health information. We took part in the first exchange of data across the NHIN when the health care provider MedVirginia transmitted records to us that were necessary to adjudicate a disability claim.

PERFORMANCE TARGETS

The President’s FY 2010 request will allow SSA to build on the progress we plan to make in FY 2009. The table below lists key performance targets linked to this budget:

Table 3.2—Key Performance Targets

	FY 2009	FY 2010
<u>Selected Workload Measures</u>		
Retirement and Survivors Claims Processed (thousands) ^{2,3}	4,543	4,565
Initial Disability Claims Processed (thousands) ¹	2,637	2,851
SSA Hearings Processed (thousands) ¹	647	726
Periodic CDRs Processed (thousands)	1,079	794
Periodic Medical CDRs (included above, thousands)	329	329
SSI Non-Disability Redeterminations Processed (thousands)	1,711	2,322
800-Number Transactions Handled (millions)	60	61
Social Security Cards Issued (millions)	18	18
Annual Earnings Items Processed (millions)	271	271
Social Security Statements Issued (millions)	151	153
<u>Selected Outcome Measures</u>		
Initial Disability Claims Pending (thousands) ¹	833	964
SSA Hearings Pending (thousands) ¹	755	727
Average Processing Time for Initial Disability Claims (days) ⁴	129	156
Average Processing Time for Hearing Decisions (days)	516	508
Disability Determination Services Production per Workyear	265	268
Office of Disability Adjudication and Review Production per Workyear	107	109
Other Work/Service in Support of the Public—Annual Growth of Backlog (workyears)	900	2,100

² These FY 2009 and FY 2010 measures will be achieved through the combination of our annual LAE appropriation and with funds from the American Recovery and Reinvestment Act.

³ Includes Medicare-only claims.

⁴ Disability decisions that receive a technical (non-medical) denial are not included.

RECENT ACCOMPLISHMENTS

In FY 2008, SSA's resources were primarily used to process workloads, including:

- Paying benefits to almost 55 million people;
- Making decisions on 575,000 hearings;
- Issuing 18 million Social Security cards;
- Processing 270 million earnings items for crediting to workers' earnings records;
- Handling 60 million transactions through SSA's 800-number;
- Issuing 149 million Social Security Statements;
- Processing 245,000 medical CDRs;
- Processing 1.2 million non-disability SSI redeterminations to ensure that recipients continue to meet SSI eligibility; and
- Administering components of the Medicare programs, including subsidy applications, calculating and withholding premiums, making eligibility determinations, and taking applications for replacement Medicare cards.

Over the past 5 years, SSA's efforts to innovate and automate, coupled with the dedication of our staff, have improved productivity by an average of over 2 percent per year. SSA has continued to maintain its high standards of productivity and looks forward to improvements in FY 2010. The agency believes that, given the array of services SSA provides and the major workload processing initiatives implemented each year, incremental productivity improvements are sustainable with full funding.

Program Performance

SSA's budget and plans also reflect the assessments performed with OMB's Program Assessment Rating Tool (PART), a diagnostic tool used to examine different aspects of program performance and identify the strengths and weaknesses of Federal programs. SSA has performed well on its PART evaluations, achieving "moderately effective" – the second-highest score – for the OASI, DI and SSI programs. SSA has had success in strengthening its programs by linking the allocation of resources to performance metrics.

SSA-RELATED LEGISLATION ENACTED OCTOBER 2007 – MARCH 2009

FY 2009

Omnibus Appropriations Act, 2009 (P.L. 111-8)

- This provides SSA's LAE account an annual appropriation of \$10,453,500,000.
- This law extends until September 30, 2009, E-Verify, a Department of Homeland Security program for which SSA provides support.

American Recovery and Reinvestment Act of 2009 (P.L. 111-5)

- This law directs the Department of the Treasury to provide a one-time recovery payment of \$250 to most individuals eligible for Social Security, SSI, Veterans Disability, or Railroad Retirement. In May 2009, SSA will certify more than 50 million such payments to Treasury for current Social Security and SSI recipients.

Limitation on Administrative Expenses

- The legislation appropriated \$90 million to remain available until expended to SSA's LAE account for costs incurred in carrying out the provision.
- The Act also provided \$500 million to SSA for a new National Support Center and \$500 million for processing of disability and retirement workloads and IT acquisitions in support of workload processing.
- The Act made available up to \$40 million of the workload funding for health information technology research and activities to facilitate the adoption of electronic medical records.
- SSA is providing reports on the implementation of this Act; the reports can be found at: <http://www.ssa.gov/recovery/>.

Children's Health Insurance Program (CHIP) Reauthorization Act of 2009 (P.L. 111-3)

- This law provides states the option to verify an individual's declaration of citizenship or nationality for purposes of Medicaid and/or CHIP eligibility through an electronic comparison of the information provided by the individual with information in SSA records, effective January 1, 2010.
- The law appropriated \$5 million to SSA to remain available until expended to carry out SSA's responsibilities under this provision.
- SSA is preparing to begin implementation of this Act.

FY 2008

SSI Extension for Elderly and Disabled Refugees Act of 2008 (P.L. 110-328)

- This Act temporarily extended the 7-year SSI eligibility period for refugees, asylees, and certain other immigrants, including victims of human trafficking, to 9 years for the period of October 1, 2008, through September 30, 2011.
- This law applied retroactively to those noncitizens whose SSI benefits had previously been cut off solely due to the expiration of the 7-year period.
- SSA immediately processed the reinstatement of benefits that were suspended in October and November due to the expiration of the 7-year eligibility period. Effective December 1, 2008, aliens who would have been subject to suspension due to the 7-year time limit were not automatically suspended. These individuals and other noncitizens whose 7-year period expired at some point in the past received notices to contact SSA and (in most cases) sign a statement that they are pursuing U.S. citizenship.

Medicare Improvements for Patients and Providers Act of 2008 (P.L. 110-275)

- This Act eliminated barriers to enrollment in Medicare Savings Programs (MSP). The legislation requires SSA to inform Medicare Part D Low-Income Subsidy (LIS) applicants about MSP assistance and train employees currently involved in LIS application-taking on how to promote beneficiary awareness of MSP. It also requires SSA to transmit LIS application data to the states for use in the MSP determination process.
- This law provides from the General Fund of the Treasury \$24.1 million for MSP outreach and data transmittal to the states and \$24.8 million for SSA activities related to implementation of LIS changes.
- SSA is preparing to implement these changes by January 1, 2010.

Food, Conservation and Energy Act of 2008 (P.L. 110-246)

- This act excludes the Conservation Reserve Program payments from the Self-Employment Contributions Act tax for certain individuals who are receiving Social Security retirement or disability benefits.
- This law increased the amount of net earnings from self-employment that is credited to individuals, who file under the optional method of reporting, to the amount of earnings needed for four quarters of coverage a year.
- The law also provides for the transfer of funds by the Department of the Treasury, from the General Fund to the OASDI Trust Funds, to ensure that the assets of the OASDI Trust Funds are not reduced as a result of enactment of this Act.
- Further, the law requires the Secretary of Agriculture, at least twice a year, to submit the Social Security numbers of all individuals who receive payments under farm commodity programs to SSA in order to determine whether such individuals are alive.

Heroes Earning Assistance and Relief Tax (HEART) Act of 2008 (P.L. 110-245)

- This law amended the Internal Revenue Code and the Social Security Act to exclude from FICA-taxable wages any property tax rebate or other qualified benefit provided to volunteer firefighters and emergency medical responders in return for labor services.
- This act also provides for the treatment of most cash military compensation as earned income for SSI purposes, thus allowing service members to benefit from the SSI program's more favorable consideration of earned income. It excludes AmeriCorps program payments (cash or in-kind) from consideration as income for SSI purposes. In addition, the law excluded state-provided pensions for certain veterans from consideration as income or resources. SSA has implemented these changes.
- This law further amended the Internal Revenue Code and the Social Security Act to treat foreign subsidiaries of U.S. companies performing services under contract with the U.S. Government as American employers for the purpose of Social Security and Medicare payroll taxes. This change affects U.S. citizens and U.S. residents working for these subsidiaries.

Second Chance Act of 2007 (P.L. 110-199)

- This law reauthorized the grant program in the Omnibus Crime Control and Safe Streets Act of 1968 for reentry of adult and juvenile ex-offenders into the community. The law includes the establishment of pre-release planning procedures to help Federal prisoners apply for Federal and state benefits upon release, including Social Security cards and benefits.

Economic Stimulus Act of 2008 (P.L. 110-185)

- This law provides business tax incentives and rebate checks for individuals.
- The law appropriated \$31 million to SSA's LAE account for FY 2008 to assist in carrying out the rebate program for OASDI beneficiaries and disabled veterans.
- SSA began issuing the payments in May 2008.
- Further, the law provides that the rebate payment, and any other credit or refund under section 6428 of the Internal Revenue Code, is not to be considered income for the purposes of determining SSI eligibility and payment amounts.

Limitation on Administrative Expenses

National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181)

- This Act amended the *Family and Medical Leave Act of 1993* to provide protection for families caring for injured service members. This law also exempts wounded veterans who are Federal employees from a requirement to exhaust annual and sick leave before receiving and using transferred leave, with certain provisions.
- The law requires the Department of Defense to consult with SSA in maintaining a handbook for members of the armed forces on compensation and benefits available for serious injuries and illnesses.
- This law provides making certain Iraqi aliens who have provided service to the United States with special immigrant status eligible for entitlement programs for a period not to exceed 8 months.

Openness Promotes Effectiveness in our National Government Act of 2007 (P.L. 110-175)

- This law revises requirements for Federal agency disclosures of information under the Freedom of Information Act (FOIA).
- The law requires that the 20-day limit for SSA to respond to a FOIA request beginning upon receipt by the appropriate agency component receives the request.
- Further, the law requires SSA to assign a tracking number to each request that will take longer than 10 days to process. SSA must also establish a telephone line or Internet service that provides information about the status of requests. SSA FOIA information can be found here: <http://www.socialsecurity.gov/foia/>.
- This Act requires agencies to designate a Chief FOIA Officer. SSA first designated a Chief FOIA Officer in 2006 and subsequent to this Act included the designation in the position description for the General Counsel.

The Consolidated Appropriations Act, 2008 (P.L. 110-161)

- This provides SSA's LAE account an annual appropriation of \$9,744,577,000.
- This Act provides, for a period not to exceed 6 months, SSI eligibility to the same extent as refugees admitted under section 207 of the Immigration and Nationality Act to Iraqi and Afghan aliens who have been granted special immigrant status.

ANNUAL PERFORMANCE PLAN (APP)

SSA's budget is fully integrated with its APP, which is included as the final tab in this *Justification of Estimates for Appropriations Committees*. The budget estimates are linked to key performance measures, included earlier in this General Statement, and support all of the more detailed measures outlined in the APP.

BUDGETARY RESOURCES

The LAE account represents SSA’s administrative budget for carrying out its responsibilities under the Social Security Act. This includes administering the OASI, DI, SSI and Special Benefits for Certain WWII Veterans programs and supporting the Centers for Medicare and Medicaid Services in administering the HI, SMI, and Medicare Part D programs. The President’s Budget for the LAE account in FY 2010 is \$11,451,000,000. In addition, the American Recovery and Reinvestment Act of 2009 provides SSA with a total of \$1,090,000,000 to help address the increasing disability and retirement workloads, replace SSA’s current National Computer Center, and provide administrative expenses to administer the \$250 economic recovery payments to Social Security and Supplemental Security Income beneficiaries.

AMOUNTS AVAILABLE FOR OBLIGATION

Table 3.3—Amounts Available for Obligation⁵
(dollars in thousands)

	FY 2008 Actual	FY 2009⁶ Enacted	FY 2010 Estimate
Base Appropriation ^{7, 8}	\$ 9,744,577	\$ 10,453,500	\$ 11,451,000
Economic Stimulus Act (P.L. 110-185)	\$ 31,000	N/A	N/A
ARRA - Workload Processing	N/A	\$ 175,000	\$ 325,000
ARRA - Economic Recovery Payment - Admin	N/A	\$ 60,000	\$ 30,000
ARRA - NCC Replacement	N/A	\$ 0	\$ 20,000
MIPPA - LIS	N/A	\$ 24,800	\$ 0
Total	\$ 9,775,577	\$ 10,713,300	\$ 11,826,000
Unobligated Balance, start-of-year ⁹	\$ 207,643	\$ 242,625	\$ 186,800
Recoveries and Transfers	\$ 180,543	\$ 0	\$ 0
Total Resources Available	\$ 10,163,763	\$ 10,955,925	\$ 12,012,800
Obligations	(\$ 9,801,643)	(\$ 10,939,125)	(\$ 11,992,800)
Uncollected User Fees	(\$ 828)	\$ 0	\$ 0
Unobligated Balance, lapsing	(\$ 118,667)	\$ 0	\$ 0
Unobligated Balance, end-of-year ¹⁰	\$ 242,625	\$ 16,800	\$ 20,000

⁵ Totals may not add due to rounding.

⁶ FY 2009 Total Base Appropriation includes \$1,378,700 to be transferred to OIG for the financial statement audit.

⁷ Includes State Supplementation user fees and non-attorney representative payee user fees collected pursuant to section 303 of P.L. 108-203.

⁸ The FY 2010 appropriation request includes a total of \$758 million in funding for cost-effective program integrity initiatives (\$273 million base funding and \$485 million cap adjustment funding).

⁹ FY 2010 Unobligated Balance, start-of-year reflects anticipated additional recoveries assumed available in FY 2010, but not reflected in Unobligated Balance, end-of-year FY 2009.

¹⁰ FY 2009 Unobligated Balance, end-of-year includes \$16,800 in MIPPA funding expected to be obligated in FY 2010.

BUDGET AUTHORITY AND OUTLAYS

The LAE account is funded by the Social Security Trust Funds, the General Fund, the Medicare Trust Funds, and applicable user fees. Section 201(g) of the Social Security Act provides that SSA determines the share of administrative expenses that should have been borne by the appropriate trust funds for the administration of their respective programs and the General Fund for administration of the SSI program. SSA calculates the administrative costs attributable to each program using its Government Accountability Office (GAO) approved cost analysis system. In FY 2009, SSA received additional funds from the General Fund of the Treasury, provided by the American Recovery and Reinvestment Act (ARRA) and the Medicare Improvement Patients and Providers Act (MIPPA).

Table 3.4—Budget Authority and Outlays¹¹
(dollars in thousands)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Estimate
OASI and DI Trust Funds ¹²	\$ 4,910,773	\$ 5,222,963	\$ 5,734,401
HI and SMI Trust Funds	\$ 1,679,661	\$ 1,876,000	\$ 2,106,892
SSA Advisory Board	\$ 2,000	\$ 2,000	\$ 2,300
SSI Administrative Expenses	\$ 3,018,520	\$ 3,206,537	\$ 3,441,908
State Supplementation User Fees	\$ 132,642	\$ 145,000	\$ 165,000
Non-Attorney Representative User Fees ¹³	\$ 983	\$ 1,000	\$ 500
Economic Stimulus Act	\$ 31,000	N/A	N/A
MIPPA - LIS	N/A	\$ 24,800	N/A
ARRA	N/A	\$ 1,090,000	N/A
Total Budget Authority	\$ 9,775,577	\$ 11,568,300¹	\$ 11,451,000
OASI and DI Trust Funds ²	\$ 4,780,781	\$ 5,215,149	\$ 5,675,011
HI and SMI Trust Funds	\$ 1,742,315	\$ 1,887,884	\$ 2,084,236
SSI Administrative Expenses	\$ 2,893,240	\$ 3,182,265	\$ 3,403,121
State Supplementation User Fees	\$ 132,642	\$ 145,000	\$ 165,000
Non-Attorney Representative User Fees ³	\$ 155	\$ 160	\$ 160
Economic Stimulus Act	\$ 23,486	N/A	N/A
MIPPA - LIS	N/A	\$ 8,000	\$ 16,800
ARRA - Workload Processing	N/A	\$ 175,000	\$ 325,000
ARRA - Economic Recovery Payment - Admin	N/A	\$ 60,000	\$ 10,000
ARRA - NCC Replacement	N/A	N/A	\$ 20,000
Total LAE Outlays	\$ 9,572,619	\$ 10,673,459	\$ 11,699,328

¹¹ Totals may not add due to rounding.

¹² OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

¹³ The authority for the Non-Attorney Representative User Fees will expired March 2010. SSA plans to seek a 2-year extension of the authority through 2012.

ANALYSIS OF CHANGES

The FY 2010 request represents a \$997.5 million increase over the FY 2009 enacted appropriation. The majority of this increase is attributable to built-in increases including pay increases and the rising costs of personnel benefits, rent, and security. The increase in obligations is less than the increase in total budget authority requested due mostly to the use of higher prior-year unobligated balances to fund obligations in FY 2009.

Table 3.5—Summary of Changes from FY 2009 to FY 2010
(dollars in thousands)

	FY 2009¹⁴ Enacted	FY 2010 Estimate	Changes
Total Appropriation	\$ 10,713,300	\$ 11,826,000	+ \$ 1,112,700
Base LAE	\$ 10,453,500	\$ 11,451,000	+ \$ 997,500
ARRA			
Workload Processing	\$ 175,000	\$ 325,000	+ \$ 150,000
Economic Recovery Payment - Admin	\$ 60,000	\$ 30,000	- \$ 30,000
NCC Replacement	\$ 0	\$ 20,000	+ \$ 20,000
MIPPA - LIS	\$ 24,800	\$ 0	- \$ 24,800
Obligations Funded From Prior Year Unobligated Balances ¹⁵	\$ 242,625	\$ 186,800	- \$ 55,825
Obligations	(\$ 10,939,125)	(\$ 11,992,800)	+ \$ 1,053,675
Unobligated Balance, end-of-year ¹⁶	\$ 16,800	\$ 20,000	+ \$ 3,200

Base payroll expenses increase annually due to periodic step increases, career ladder promotions, increased health benefit costs, new employees hired under the Federal Employees Retirement System (FERS) and annual pay increases. The FY 2010 request includes the annualized effect of the January 2009 Federal pay increase of 5.8 percent and no increase in January 2010. Built-in non-payroll increases include increases in the cost of rent, security, and guard services.

¹⁴ FY 2009 Appropriation includes \$1,378,700 to be transferred to OIG for the financial statement audit.

¹⁵ FY 2010 Unobligated Balances reflects anticipated additional recoveries assumed available in FY 2010, but not reflected in Unobligated Balance, end-of-year FY 2009.

¹⁶ FY 2009 Unobligated Balance, end-of-year includes \$16,800 in MIPPA funding which is expected to be obligated in FY 2010.

Limitation on Administrative Expenses

Table 3.6—Explanation of LAE Budget Changes from FY 2009 to FY 2010
(dollars in thousands)

	FY 2009 Base		Change from FY 2009 Base	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
<u>BUILT-IN INCREASES</u>				
Base Payroll Expenses ¹	66,223	\$ 6,061,000		\$ 294,497
<ul style="list-style-type: none"> Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System 				+ \$ 153,356
<ul style="list-style-type: none"> Annualized effect of the January 2009 Federal pay increase of 3.9 percent 				+ \$ 56,464
<ul style="list-style-type: none"> 9-month effect of assumed 2.0 percent Federal pay increase effective January 2010 				+ \$ 84,677
Non-Payroll Costs - Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		\$ 1,954,500		+ \$ 148,279
State Disability Determination Services ¹ - Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		\$ 2,038,000		+ \$ 112,722
Subtotal, Built-In Increases				+ \$ 555,498
<u>PROGRAM INCREASES</u>				
Base Funding for Information Technology (IT) ¹ Increase in base funding for IT, including desktop, voice and data communications, infrastructure and costs for major projects		\$ 575,000		+ \$ 172,000
Net Increase in WYs to process increased workloads ²			+ 2,522	+ \$ 244,503
Net Increase in State Disability Determination Services ² – To process additional workloads				+ \$ 109,278
Increase funding for the Access to Financial Institutions initiative				+ \$ 34,000
Net Increase in base essential non-payroll costs				+ \$ 32,221

Table Continues on the Next Page

¹ Base includes ARRA funding for disability workload processing.

² Increase includes ARRA funds obligated in FY 2010 for disability workload processing.

BUDGETARY RESOURCES BY OBJECT

Table 3.7—Budgetary Resources by Object¹⁸
(dollars in thousands)

	FY 2009 Enacted	FY 2010 Estimate	Change
Personnel Compensation			
Permanent positions	\$4,467,837	\$4,787,026	+ \$319,189
Positions other than permanent	\$96,552	\$100,901	+ \$4,349
Other personnel compensation	\$275,174	\$344,420	+ \$69,246
Special personal service payments	\$2,203	\$2,286	+ \$83
Subtotal, personnel compensation	\$4,841,766	\$5,234,633	+ \$392,867
Personnel Benefits	\$1,251,801	\$1,391,142	+ \$139,341
Travel and transportation of persons	\$58,102	\$58,102	\$0
Transportation of things	\$8,070	\$8,269	+ \$199
Rent, communications, and utilities			
Rental payments to GSA	\$671,074	\$733,724	+ \$62,650
Rental payments to others	\$2,265	\$2,272	+ \$7
Communications, utilities, misc.	\$447,079	\$461,062	+ \$13,983
Printing and reproduction	\$48,588	\$47,654	- \$934
Other services (DDS, guards, etc.)	\$3,216,977	\$3,612,254	+ \$395,277
Supplies and materials	\$49,602	\$50,829	+ \$1,227
Equipment	\$265,087	\$303,668	+ \$38,581
Land and structures	\$29,775	\$39,050	+ \$9,275
Grants, subsidies and contributions	\$27,192	\$27,860	+ \$668
Insurance claims and indemnities	\$21,745	\$22,279	+ \$534
Interest and dividends	\$2	\$2	\$0
Total Obligations	\$10,939,125	\$11,992,800	+ \$1,053,675
Less obligations funded from prior year unobligated balances	- \$16,800	- \$20,000	+ \$3,200
Total Budgetary Resources	\$10,955,925	\$12,012,800	+ \$1,056,875
Notes:			
Payments to State DDS (funded from other services and Communications, utilities, and misc.	\$2,038,000	\$2,260,000	+ \$222,000
Automation Investment Fund (included on previous page – funded from carryover of unexpended prior year balances)	\$5,331	\$0	- \$5,331

¹⁸ The budgetary resources include the base LAE appropriation and funding for ARRA and LIS.

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

The table below includes significant items included in the FY 2009 appropriations bill conference report.

Table 3.8—*Omnibus Appropriations Act, 2009*: Joint Explanatory Statement—Significant Items

Report on Investments and Initiatives to Improve Key Services to the Public	Actions Taken or To Be Taken
<p>SSA should provide a report to the Committees on Appropriations of the House of Representatives and the Senate, not later than 180 days after enactment of this Act, which identifies the specific investments and major initiatives that have or will be made to improve SSA's key services to the public.</p>	<p>SSA will submit a report to the Appropriations Committees within the timeframe requested.</p>
Report on Continuing Disability Reviews and Redeterminations of Eligibility	Actions Taken or To Be Taken
<p>The bill includes new language designating that from within the amounts provided for the Limitation on Administrative Expenses, not less than \$264,000,000 may be used for conducting continuing disability reviews and redeterminations of eligibility under SSA's disability programs. An additional \$240,000,000 is also provided for these continuing disability reviews and redeterminations of eligibility. These amounts are the same as the budget request. A report to Congress on the obligation and expenditure of these additional amounts is required.</p>	<p>SSA will submit a report to Congress as requested.</p>
Agency Operating Plans	Actions Taken or To Be Taken
<p>The bill continues a provision requesting each department and related agency funded through this Act to submit an operating plan within 45 days of enactment of this Act, detailing any reprogramming of funds which result in a different funding allocation than that in this Act, the accompanying detailed table, or budget request.</p>	<p>SSA will submit a report to the Appropriations Committees within the timeframe requested.</p>

BACKGROUND

AUTHORIZING LEGISLATION

The LAE account is authorized by section 201(g) of the Social Security Act. The authorization language makes available for expenditure, out of any or all of the Trust Funds, such amounts as Congress deems appropriate for administering Title II, Title VIII, Title XVI, and Title XVIII of the Social Security Act for which SSA is responsible and Title XVIII of the Act for which the Secretary of Health and Human Services is responsible.

**Table 3.9—Authorizing Legislation
(dollars in thousands)**

	2009 Amount Authorized	2009 Enacted¹⁹	2010 Amount Authorized	2010 Estimate²⁰
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	\$ 10,453,500 ²¹	Indefinite	\$ 11,451,000

¹⁹ Pursuant to P.L. 111-8, the FY 2009 appropriation includes up to \$145,000,000 collected from SSIs state supplemental user fees and up to \$1,000,000 collected from non-attorney payee.

²⁰ The FY 2010 request includes \$485 million in cap adjustment funding for program integrity work.

²¹ This amount does not reflect a transfer of \$1,378,700 from LAE to OIG for financial statement audit.

APPROPRIATION HISTORY

The table below includes the amount requested, passed by the House and Senate, and ultimately appropriated for the LAE account, including any supplemental appropriations or other legislation providing appropriations as well as rescissions, for the last ten years. The annual appropriation includes amounts authorized from state supplementation user fees and, beginning in FY 2005, non-attorney representative payee user fees. Appropriated amounts in FY 2001 through FY 2002 include additional funding for CDRs authorized by Section 303 of P.L. 104-121 and Section 10203 of P.L. 105-33. The FY 2009 appropriation also includes additional funding for CDRs and redeterminations.

Table 3.10—Appropriations History Table

Fiscal Year	Budget Estimate to Congress	House Passed	Senate Passed	Enacted Appropriation
2001	\$7,134,000,000 ¹	\$6,978,036,000	\$7,010,800,000	\$7,124,000,000
2002	\$7,574,000,000 ²	\$7,568,000,000	\$7,568,000,000	\$7,568,000,000 ³
Rescission ⁴				-\$5,915,000
Final Supplemental ⁵				\$7,562,085,000
				\$7,500,000
2003	\$8,282,753,000 ⁶	\$7,936,000,000	\$7,936,000,000	\$7,936,000,000
Rescission ⁷				-\$50,862,500
Final				\$7,885,137,500
2004	\$8,530,000,000 ⁸	\$8,361,800,000	\$8,530,000,000	\$8,361,800,000
Rescission ⁹				-\$48,626,600
Final Medicare Modernization Act ¹⁰				\$8,313,173,400
				\$500,000,000
2005	\$8,878,000,000 ¹¹	\$8,798,100,000	\$8,622,818,000	\$8,801,896,000 ¹²
Rescission ¹³				-\$69,394,400
Final				\$8,732,501,600
2006	\$9,403,000,000 ¹⁴	\$9,279,700,000	\$9,329,400,000	\$9,199,400,000 ¹⁵
Rescission ¹⁶				-\$90,794,000
Final Supplemental ¹⁷				\$9,108,606,000
				\$38,000,000
2007	\$9,496,000,000 ¹⁸	\$9,297,573,000 ¹⁹	\$9,297,573,000 ¹⁹	\$9,297,573,000
2008	\$9,596,953,000 ²⁰	\$9,969,953,000	\$9,871,953,000	\$9,917,842,000 ²¹
Rescission				-\$173,264,731
Final Economic Stimulus Act ²²				\$9,744,577,269
				\$31,000,000
2009	\$10,327,000,000 ²³	\$10,453,500,000	\$10,453,500,000	\$10,453,500,000
MIPPA – Low Income Subsidy ²⁴				\$24,800,000
ARRA ²⁵				\$1,090,000,000
2010	\$11,451,000,000²⁶			

¹ Includes \$91,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments. Also includes an additional \$450,000,000 to remain available until September 30, 2002, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.

Limitation on Administrative Expenses

² Includes \$106,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments. Also includes an additional \$433,000,000 to remain available until September 30, 2003, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.

³ Includes \$100,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments. Also includes, as requested, an additional \$433,000,000 to remain available until September 30, 2003, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.

⁴ A total of \$5,915,000 was rescinded by P.L. 107-206. \$3,400,000 was applied to base expenses; \$2,515,000 was applied to cap adjustment funding for continuing disability reviews.

⁵ The President requested and the Congress provided \$7,500,000 in emergency response funding to SSA for infrastructure and security costs related to the events of September 11, 2001 (P.L. 107-117).

⁶ Amount reflects the Administration's proposal to charge the full cost of accruing retirement benefits and annuitant health benefits to agency accounts (+\$345,753,000), in addition to the current law request of \$7,937,000,000. Total includes \$112,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments.

⁷ A total of \$50,862,500 was rescinded by P.L. 108-7, Consolidated Appropriations Resolution, 2003.

⁸ Total includes \$120,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments.

⁹ A total of \$48,626,600 was rescinded by P.L. 108-199, Consolidated Appropriations Bill.

¹⁰ A total of \$500,000,000 was provided to SSA for start-up costs for the implementation of the Medicare Modernization Act of 2003 (P.L. 108-173)

¹¹ Total includes up to \$121,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments.

¹² Total includes up to \$124,000,000 from user fees paid by states for Federal administration of SSI state Supplementation payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹³ A total of \$69,394,400 was rescinded by P.L. 108-447, Consolidated Appropriations Bill.

¹⁴ Includes a total of \$601,000,000 in earmarked funding for continuing disability reviews in FY 2006. Total consists of \$412,000,000 in base funding and \$189,000,000 in additional funds. Includes up to \$131,000,000 from user fees paid by states for Federal administration of SSI state Supplementation payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹⁵ Total includes up to \$119,000,000 from user fees paid by states for Federal administration of SSI state Supplementation payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹⁶ A total of \$90,794,000 was rescinded by P.L. 109-148, Department of Defense Appropriations Act, 2006.

¹⁷ A transfer from Department of Homeland Security for Hurricane Katrina-related costs (P.L. 109-234).

¹⁸ Includes a total of \$490,000,000 in funding designated for continuing disability reviews in FY 2007. Total consists of \$289,000,000 in base funding and \$201,000,000 in additional funds. Includes up to \$119,000,000 from

user fees paid by states for Federal administration of SSI state supplementation payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

¹⁹ The amounts passed by the House and Senate reflect the amounts included in the Revised Continuing Appropriations Resolution of 2007 (P.L. 110-5).

²⁰ Includes a total of \$477,000,000 in funding designated for SSI redeterminations and continuing disability reviews (CDRs). The base and cap adjustment requests for 2008 include both CDRs and SSI redeterminations, whereas previous cap adjustment requests were for CDRs only. Total consists of \$264,000,000 in base funding and \$213,000,000 in additional funds. Includes up to \$135,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²¹ Includes up to \$132,641,550 from user fees paid by states for Federal administration of SSI state supplemental payments. Also includes up to \$982,530 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²² Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.

²³ Total includes \$504,000,000 in funding designated for SSI redeterminations and continuing disability reviews. Total consists of \$264,000,000 in base funding and \$240,000,000 in additional funds. Includes up to \$145,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

²⁴ From the General Fund of the Treasury, the Medicare Improvements for Patients and Providers Act (MIPPA) (P.L. 110-275) provides \$24,800,000 for activities related to the implementation of changes to the Low-Income Subsidy program. The Medicare Improvements for Patients and Providers Act total does not include \$24,100,000 for Medicare Savings Program outreach and transmittal of data to states. Also not included is the Children's Health Insurance Program Reauthorization Act (P.L. 111-3), which appropriated to SSA \$5,000,000 to provide states the option to verify citizenship or nationality for the purposes of determining Medicaid or Children's Health Insurance Program eligibility.

²⁵ The American Recovery and Reinvestment Act (ARRA) (P.L. 111-5) provides SSA \$500,000,000 to process growing disability and retirement workloads, \$500,000,000 to replace the National Computer Center, and \$90,000,000 to administer the \$250 economic recovery payments for eligible Social Security and Supplemental Security Income beneficiaries.

²⁶ Total includes \$758,000,000 in funding designated for SSI redetermination and continuing disability reviews. Total consists of \$273,000,000 in base funding and \$485,000,000 in additional funds. Includes up to \$165,000,000 from user fees paid by states for Federal administration of SSI state supplementation payments. Also includes up to \$500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

ADDITIONAL BUDGET DETAIL

SIZE AND SCOPE OF SSA'S PROGRAMS

SSA's administrative budget is driven by the size of the programs it administers—both in terms of the amount of work performed and the number of people needed to process it—and by its continuing efforts to improve service and efficiency.

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled \$648.3 billion in FY 2008; under current law, Federal benefit payment outlays are expected to increase to \$701.6 billion in FY 2009 and \$737.2 billion in FY 2010. At less than 2 percent of total outlays, SSA's administrative expenses continue to be a small fraction of overall program spending, demonstrating the agency's cost-conscious approach to managing its resources.

Table 3.11—Federal Benefit Outlays²²
(dollars in billions)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Estimate
Old-Age and Survivors Insurance	\$ 503.0	\$ 542.7	\$ 568.5
Disability Insurance	\$ 104.2	\$ 114.3	\$ 122.1
Supplemental Security Income	\$ 41.1	\$ 44.5	\$ 46.6
Total Outlays	\$ 648.3	\$ 701.6	\$ 737.2

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 54.7 million in FY 2008 to 55.9 million in FY 2009 and 57.4 million in FY 2010.

Table 3.12—Beneficiaries¹
(average in payment status, in millions)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Estimate
Old-Age and Survivors Insurance	41.2	41.9	42.9
Disability Insurance	9.0	9.4	9.8
Supplemental Security Income ²³	7.1	7.3	7.5
Concurrent Recipients ²⁴	(2.6)	(2.7)	(2.7)
Total Beneficiaries	54.7	55.9	57.4

²² Totals may not add due to rounding.

²³ Does not include recipients who only receive a Federally Administered State Supplementary payment and no Federal benefit.

²⁴ Recipients receiving both OASDI and SSI benefits.

FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the LAE Federal and state workyears that the President’s Budget for FY 2010 will support.

Table 3.13—SSA Supported Federal and State Workyears

	FY 2009	FY 2010
LAE Full-Time Equivalents (FTEs)	63,469	65,114
LAE Overtime/Lump Sum Leave	3,054	3,731
Total SSA Workyears (excludes OIG)	66,523	68,845
Total DDS Workyears	14,369	15,128
Total SSA/DDS Workyears (includes ARRA and LIS, excludes OIG)	80,892	83,973

SOCIAL SECURITY ADVISORY BOARD

This budget includes \$2.3 million for the Social Security Advisory Board in FY 2010. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a seven-member Advisory Board to make recommendations on policies and regulations relating to SSA’s major programs: OASDI and SSI. The Board is required by law to meet at least four times per year.

SSA E-GOV CONTRIBUTIONS

SSA supports many E-Government initiatives. These initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently and by providing services that might not otherwise be available. These initiatives are included in the agency’s IT budget.

Table 3.14 – SSA e-Gov Contributions (in thousands) ²⁵

	FY 2009	FY 2010
Business Gateway	\$ 88.7	\$ 88.7
Disaster Assist Improvement Plan	\$ 476.4	\$ 476.4
E-Rulemaking	\$ 48.2	\$ 48.2
E-Travel	\$.1	\$.1
E-Travel Migration	\$ 465.0	\$ 465.0
Financial Management LoB	\$ 44.4	\$ 44.4
Geospatial LoB	\$ 15.0	\$ 15.0
GovBenefits.gov	\$ 323.8	\$ 323.8
Grants.gov	\$ 74.6	\$ 74.6
Grants Management LoB	\$ 28.5	\$ 28.5
Human Resources Management LoB	\$ 130.4	\$ 130.4
IAE-Loans and Grants	\$ 13.0	\$ 13.0
Integrated Acquisition Environment (IAE)	\$ 39.8	\$ 39.8
Total	\$ 1,747.9	\$1,747.9

Social Security remains an active contributor to E-Government initiatives, participating and assisting in four Lines of Business (LoB): Financial Management, Geospatial, Grants Management, and Human Resources Management. SSA also participates in many related E-Government Implementation initiatives.

Business Gateway eliminates multiple web sites searching to locate and access government information, services, legal/regulatory requirements, and forms required by the business community.

Disaster Assist Improvement Plan will provide a unified point of access to disaster management-related information, mitigation, response, and recovery information.

E-Rulemaking improves collaboration across government on regulatory matters and provides a central web-based environment for the public to review and comment on SSA regulatory actions while reducing administration costs.

²⁵ FY 2010 contributions and fee for service (FFS) costs are identical to those of FY 2009, but are subject to change, as redistributions to meet changes in resource demands are assessed.

E-Travel provides a government wide web-based service to consolidate Federal travel through leveraging administrative, financial, and information technology best practices.

Financial Management LoB reduces non-compliant systems by leveraging common standards and shared service solutions in Federal financial operations.

Geospatial LoB maximizes geospatial investments by leveraging resources and reducing redundancies. Offering a single point of access to map-related data will allow SSA to improve mission delivery and increase service to citizens.

GovBenefits.gov helps to promote awareness of SSA's benefit programs to the public, assisting SSA in its strategic goals of delivering citizen-centric world-class service and strengthening public understanding of Social Security programs.

Grants.gov provides a single, online portal and central storehouse of information on grant programs for all Federal grant applicants.

Grants Management LoB is developing solutions to standardize and streamline the grants management process government-wide. GM LoB is pursuing a consortia based approach to share operations and maintenance (O&M) costs, and development, modernization, and enhancement (DME) costs across agencies, decreasing the burden that any one grant-making agency must bear. Business processes as available through consortium lead agencies will decrease agency reliance on manual and paper-based grants processing.

Human Resources Management LoB provides common core functionality to support the strategic management of Human Capital government-wide.

Integrated Acquisition Environment and IAE-Loans and Grants creates a secure environment to facilitate the acquisition of goods and services.

Limitation on Administrative Expenses

Table 3.15 – Other SSA Expenses/Service Fees Related to e-Gov Projects (in thousands)²⁶

	FY 2009	FY 2010
Recruitment One-Stop	\$ 398.3	\$ 398.3
Enhanced Human Resource Integration	\$ 1,489.3	\$ 1,489.3
E-Payroll	\$ 13,681.0	\$ 13,681.0
E-Travel	\$ 548.0	\$ 548.0
Total	\$ 16,116.6	\$ 16,116.6

In addition to making annual contributions to the managing partners of certain e-Gov projects, SSA also funds various ongoing business services that are related to e-Gov projects. These funds are part of SSA's ongoing budget and pay for services provided by other agencies under authority of the Economy Act.

Recruitment One-Stop provides an online portal (www.usajobs.gov) through which citizens can easily search for employment opportunities throughout the Federal Government.

Enhanced Human Resource Integration initiative is developing policies and tools to streamline and automate the electronic exchange of standardized human resource data needed for the creation of an official employee record across the Executive Branch.

E-Payroll standardizes and consolidates government wide Federal civilian payroll services and processes.

E-Travel is intended to provide a government wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction.

²⁶ FY 2010 contributions and FFS costs are identical to those of FY 2009, but are subject to change, as redistributions to meet changes in resource demands are assessed.

EMPLOYMENT

The following table provides a detailed view of the full-time equivalent employment levels.

Table 3.16—Detail of Full-Time Equivalent Employment

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Estimate
Limitation on Administrative Expenses Account	60,456	63,169	64,814
Reimbursable Work	288	300	300
SSA Proper (excludes DDS and OIG)	60,744	63,469	65,114

The following table lists the Average Grade and Salary for SSA employees from FY 2008 through FY 2010. It includes averages for Executive Service (ES) and General Service (GS) employees.

Table 3.17—Average Grade and Salary

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Estimate	<i>Change</i>
Average ES Salary	\$ 157,100	\$ 163,200	\$ 166,500	+ \$ 3,300
Average GS Grade	10	10	10	0
Average GS Salary	\$ 64,200	\$ 66,000	\$ 67,000	+ \$ 1,000