



# OVERVIEW OF OUR FISCAL YEAR 2019 GOALS AND RESULTS

## HOW WE MANAGE PERFORMANCE

**Our Performance Framework:** The *Government Performance and Results Modernization Act of 2010* (GPRMA) describes how agency strategic plans and goals should align with presidential terms and broader Federal efforts.

Setting goals and measuring our performance is vital to our success. We define our performance framework in the [Fiscal Years \(FY\) 2018–2022 Agency Strategic Plan \(www.socialsecurity.gov/asp\)](http://www.socialsecurity.gov/asp). Our *Agency Strategic Plan* (ASP) defines our Strategic Goals and details underlying objectives, strategies, and relevant risks and mitigation plans.

Our Strategic Goals are:

- Strategic Goal 1: Deliver Services Effectively;
- Strategic Goal 2: Improve the Way We Do Business; and
- Strategic Goal 3: Ensure Stewardship.

**Our Planned Performance:** In March 2019, we published our [Annual Performance Plan for FY 2020, Revised Performance Plan for FY 2019, and Annual Performance Report for FY 2018 \(www.socialsecurity.gov/agency/performance\)](http://www.socialsecurity.gov/agency/performance), as part of the [President's FY 2020 Budget Request \(www.socialsecurity.gov/budget/\)](http://www.socialsecurity.gov/budget/). Collectively, we refer to this combined document as our *Annual Performance Report* (APR). The APR outlines our tactical plans for achieving the goals and objectives in our ASP, finalizes our performance commitments for FY 2019, and describes how we ensure data integrity of our performance information.

Each fall, a draft of the APR is submitted to the Office of Management and Budget. The draft APR provides our priorities and key initiatives for the next two fiscal years, the performance measures we will use to evaluate our success, and our progress to date on current fiscal year commitments. The budgeted workloads published in our APR correspond to the key workload measures contained in the [FY 2019 Operating Plan \(www.socialsecurity.gov/budget/\)](http://www.socialsecurity.gov/budget/).

**Our Actual Performance and Program Results:** We update the APR after the close of the fiscal year to provide performance results for the previous fiscal year. We will issue the final APR containing our actual FY 2019 results in February 2020. The final APR will be available on our [Budget Estimates and Related Information website \(www.socialsecurity.gov/budget/\)](http://www.socialsecurity.gov/budget/).

This *Agency Financial Report* summarizes our key initiatives, overall performance results, and financial activities in carrying out our mission in FY 2019. The following table shows our operating expenses by Strategic Goal.



### FY 2019 Operating Expenses by Strategic Goal (Dollars in Millions)

<b>Deliver Services Effectively</b>	\$8,906
<b>Improve the Way We Do Business</b>	\$1,590
<b>Ensure Stewardship</b>	\$2,968

**Our Priorities:** In support of the GPRMA, we established two Agency Priority Goals (APG). Our APGs are 24-month goals reflecting the priorities of our executive leadership, as well as those of the Administration. We routinely review our progress and take actions to improve our outcomes, promote innovation, and deliver favorable results.

For FYs 2018–2019, our APGs were:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision; and
2. Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments.



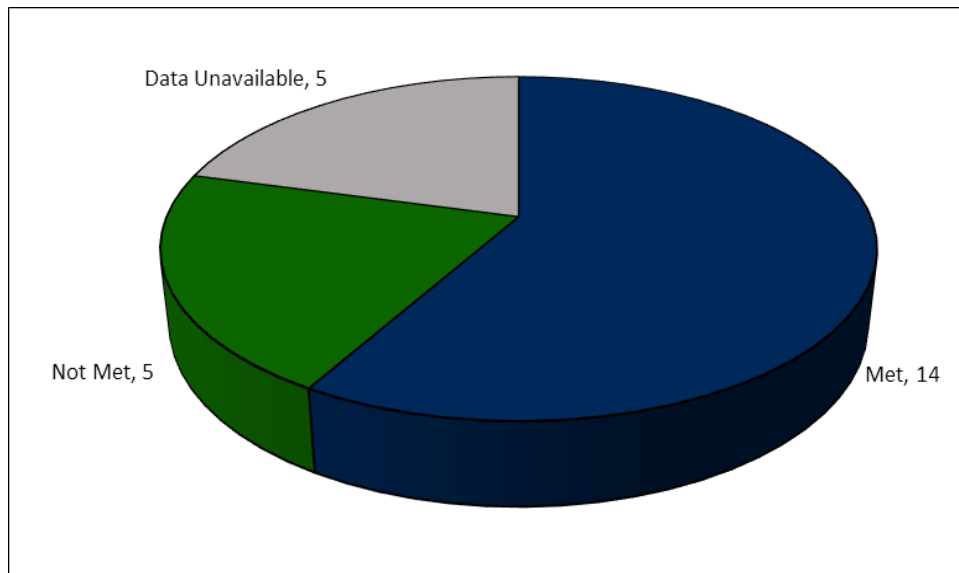
## SUMMARY OF FISCAL YEAR 2019 PERFORMANCE

This summary highlights the approaches we used to achieve the performance measures and targets set in support of our goals during FY 2019. It also outlines some of the challenges we faced meeting these goals and analyzes our performance. We base our planned performance measures and targets on the President's Budget request. If necessary, we adjust our resources to ensure we can complete our budgeted workloads and agency goals within our budget.

We have a total of 24 performance measures (including APGs) that we use to track agency progress towards meeting our Strategic Goals and objectives. Overall, we met our targets for 14 of the 24 performance measures. We selected nine performance measures and related key initiatives that highlight our progress, challenges, and priorities in support of our Strategic Goals and objectives. We met our targets for three of the five performance measures with available data. Final data for four of the nine performance measures and targets we highlighted were not available at the time we published this report.

Final data for all performance measures will be published in our *Annual Performance Plan for FY 2021, Revised Performance Plan for FY 2020, and Annual Performance Report for FY 2019* in February 2020.

### Summary of Our FY 2019 Performance Measure Results



## STRATEGIC GOAL 1: DELIVER SERVICES EFFECTIVELY

### Strategic Objectives

- Improve Service Delivery
- Expand Service Delivery Options



[Create an account:  
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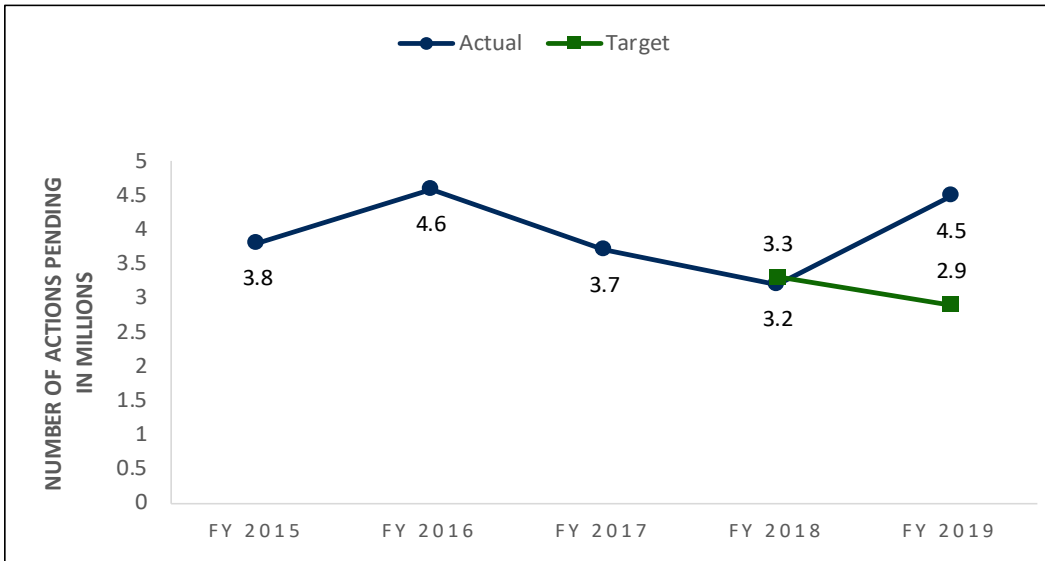
We selected the following performance measures to help demonstrate our progress in delivering services effectively:

### Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision (APG)

	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	Decide 99% of the cases that begin the fiscal year 430 days old or older	Decide 97% of the cases that begin the fiscal year 430 days old or older	Complete 97% of cases that begin the fiscal year 430 days old or older (~374,000 cases)	Complete 95% of cases that begin the fiscal year 350 days old or older (~355,000 cases)
<b>Target Achieved</b>	Not Met	Not Met	Met	Met
<b>Performance</b>	98%	96%	98%	98%

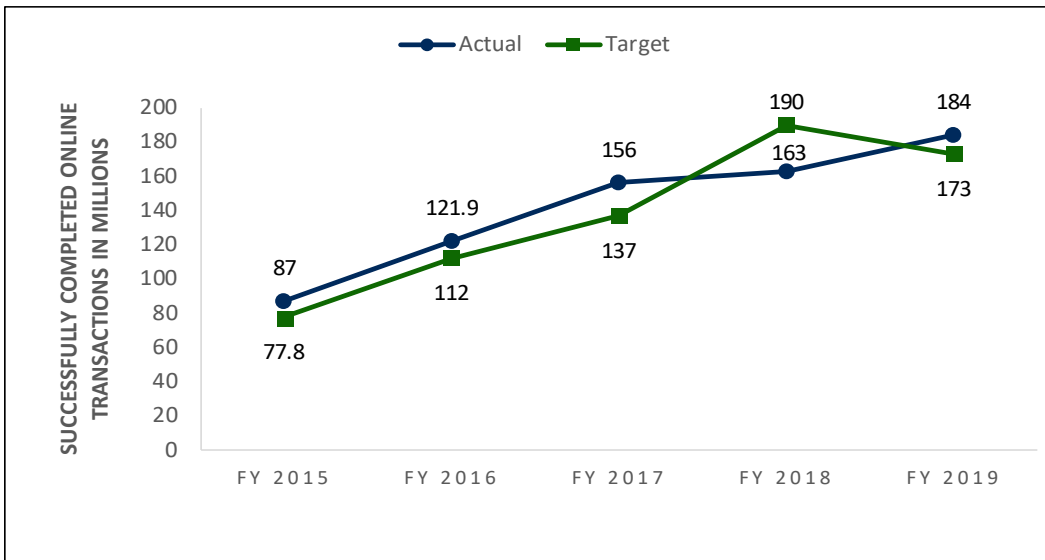
Analysis: Reducing our hearings pending and eliminating our hearings backlog remains our highest priority. In support of this effort, we have prioritized those individuals who have waited the longest for a hearing decision. In FY 2019, we met our goal by completing 98 percent of the cases that began the fiscal year 350 days old or older. Additionally, the number of people waiting for a hearing decision dropped by about 283,000, or nearly 33 percent, to the lowest level since FY 2004.

## Improve customer service by reducing the number of actions pending at the processing centers



Analysis: Reducing the number of pending actions at the processing centers (PC) remains a focus area for improvement for the agency. We reduced the number of pending actions by 37 percent from January 2016 to September 2018. However, in FY 2019, the PCs had to rework a number of complex and time-consuming cases based on the outcome of the court case, *Steigerwald v. Berryhill*. Furthermore, the PCs provided additional assistance to our National 800 Number to help address high busy rates and wait times. These efforts contributed to an increase in the PC backlog.

## Increase the number of successfully completed online transactions

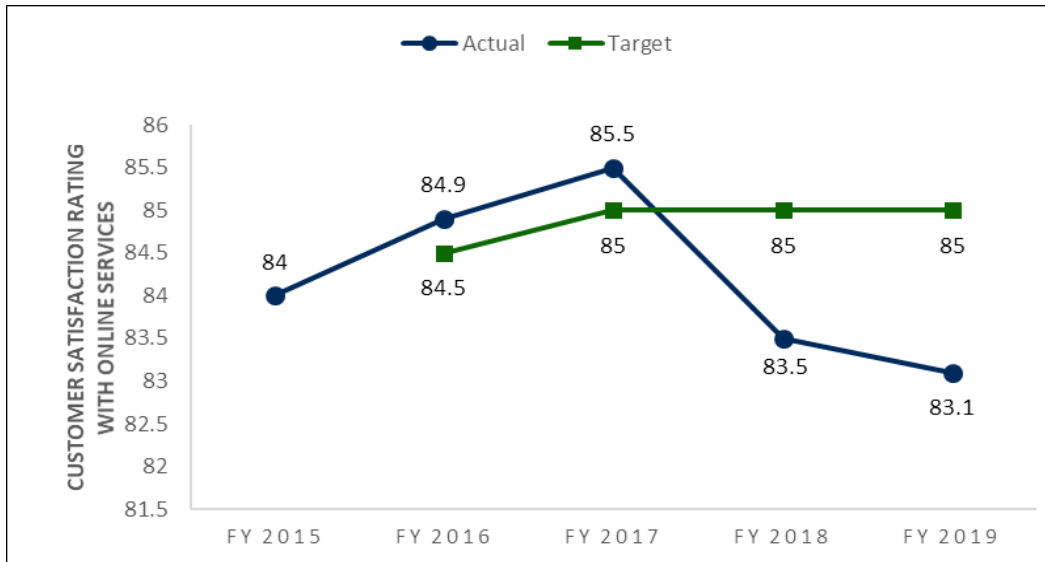


Analysis: By implementing new online services over the past four years, we have significantly increased the volume of online transactions. As we realized these increases, we have continued to set aggressive stretch targets each year. In FY 2016, we implemented Dynamic Help, which contributed to more than 20 million transactions in its first year, and in FY 2017, we implemented My Application Status, a web-based application that allows claimants to view benefit claims that are currently pending or recently adjudicated, which contributed over 9 million transactions. We also implemented myWageReport



(myWR), which allowed Disability Insurance (DI) beneficiaries to report earnings electronically on computers, mobile devices, and smartphones through *my Social Security*, and expanded it to Supplemental Security Income (SSI) recipients and concurrent (SSI and DI) beneficiaries, their representative payees or deemors (e.g., an ineligible spouse or parent living with the recipient) in FY 2018. In FY 2019, we enhanced online services to allow representative payees to conduct online wage reporting and direct deposit changes. These improvements contributed to a 13 percent increase in online transactions over FY 2018. We will continue to increase online transactions as we implement new services.

### Maintain customer satisfaction with our online services above ForeSee’s Threshold of Excellence (80)



Analysis: This performance measure targets overall customer satisfaction with eight agency online services, including [our homepage \(www.socialsecurity.gov\)](http://www.socialsecurity.gov), based on the ForeSee E-Government Satisfaction Index. During FY 2019, we encountered a drop in Business Services Online customer satisfaction due to additional steps required of customers to update their records. We provided training videos and instructions to assist the affected customers. For FY 2019, we exceeded the ForeSee Threshold of Excellence of 80. (The agency’s ForeSee Threshold of Excellence target was established in FY 2016.)

To deliver services effectively, we will:

### REDUCE THE HEARINGS BACKLOG

Eliminating the hearings backlog and reducing the time it takes to get a hearing decision remains one of our most critical priorities. Our plan for Compassionate And REsponsive Service (CARES) is a multi-pronged approach to eliminate the hearings backlog through increased decisional capacity, business process efficiencies, and information technology (IT) innovations. With our CARES plan, the special hearings backlog funding we have received, and our dedicated employees, we are reducing the average wait for a hearing decision. We expect to eliminate the backlog and reduce the wait for a decision to 240 days in FY 2021.

We have reduced the number of pending hearing requests each consecutive month since January 2017. In FY 2019, we reduced the backlog to about 575,000 cases, the lowest level since FY 2004. In addition, we have eliminated our decision writer backlog. As importantly, we have reduced the average wait time for a hearing decision to 506 days, a 25 percent improvement from the height of 633 days in September 2017. We continue to gain benefits of hires from previous years, focus on improving our business processes and accountability, and invest in automation improvements in our hearings operations. Building from our disability case processing systems work for the State disability determination services (DDS), we are developing a modern case processing system for hearings and



appeals level cases that will improve case processing, decisional quality, and efficiency. Additionally, we will be conducting more video hearings in the future which should more quickly improve the wait times and efficiencies of our process.

## **REDUCE THE PROCESSING CENTER BACKLOG**

Our PCs reduced the number of pending actions to 3.2 million as of September 2018, a 37 percent decrease from an all-time high of more than 5 million in January 2016. While we planned to further reduce the backlog in FY 2019, we ended the year at 4.5 million. We encountered significant increases in the PC workload due to the outcome of the court case, *Steigerwald v. Berryhill*, and additional assistance the PCs provided to our National 800 Number. We continue to provide hiring and overtime in the PCs, and focus on automation, workflow enhancements, and quality initiatives to improve performance.

## **EXPAND INTERNET REPLACEMENT OF SOCIAL SECURITY NUMBER CARDS**

Each year, we process over 11 million applications for Social Security number replacement cards in our field offices. Adult U.S. citizens with a [my Social Security](#) account, who meet certain criteria, may apply for the card through the Internet Social Security Number Replacement Card (iSSNRC) online application. We expanded the iSSNRC option to 8 additional States in FY 2019, making it available now in 40 States and the District of Columbia.

## **ENHANCE [my Social Security](#)**

[my Social Security](#) is our online portal for the public that provides a convenient, safe online option for people interested in viewing their Social Security records or conducting business with us. We continue to focus on improving the [my Social Security](#) user experience and adding service options. [my Social Security](#) has a user-friendly design to allow broad access from various devices, and we had over 45.7 million registered users at the end of FY 2019.

## STRATEGIC GOAL 2: IMPROVE THE WAY WE DO BUSINESS

### Strategic Objectives

- Streamline Policies and Processes
- Accelerate Information Technology Modernization

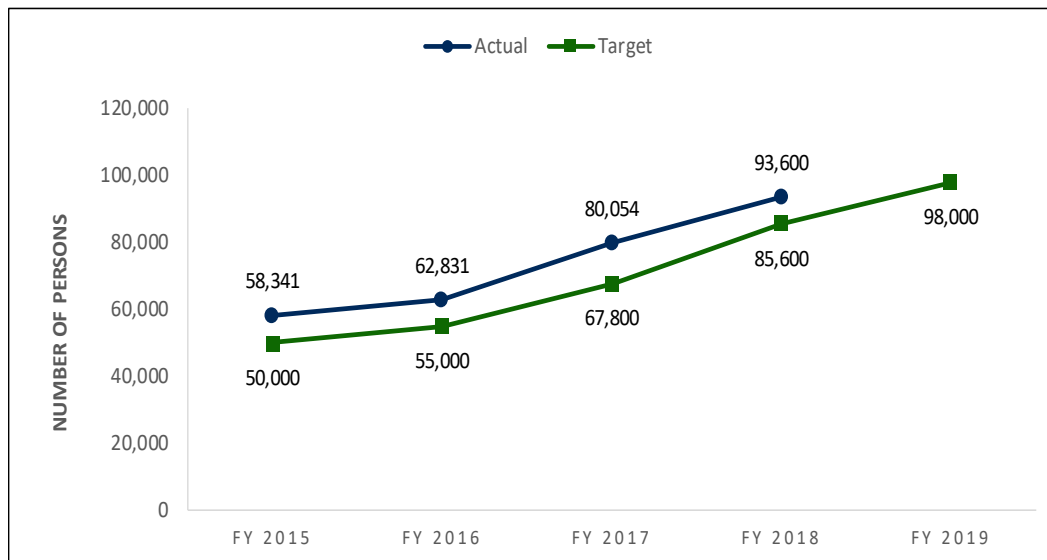
### myWageReport



Available online at  
[www.socialsecurity.gov/myaccount/](http://www.socialsecurity.gov/myaccount/)

We selected the following performance measures to indicate our progress to improve the way we do business:

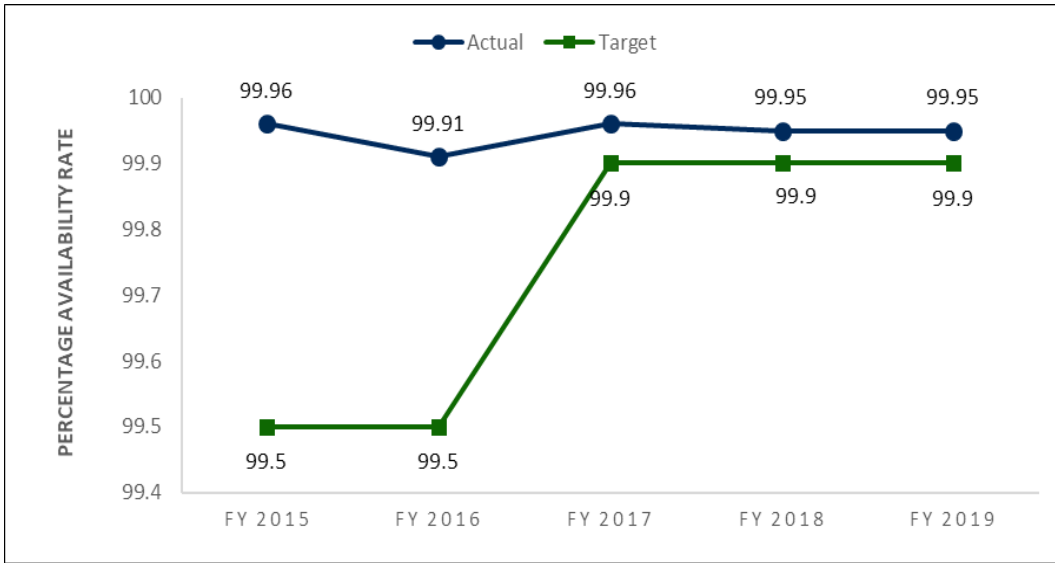
### **Increase labor force participation: Increase the number of persons with disabilities receiving employment support services who achieve the consequential earnings threshold of the trial work level**



Analysis: Our Ticket to Work and Vocational Rehabilitation (VR) cost reimbursement programs have helped beneficiaries transition to employment. In FY 2019, we continued to increase the number of persons with disabilities who returned to work. Over the past four years, we have realized continued growth in this program and exceeded our target. FY 2019 data will not be available until April 2020.



### Provide uninterrupted access to our systems during scheduled times of operations



Analysis: Maintaining uninterrupted access to our systems during scheduled times of operation is essential to serving the public. Since FY 2012, we have exceeded the target for this measure. We continue to surpass the agency’s goal for Enterprise Availability of our critical services each year. In FY 2019, we achieved a systems availability rating of 99.95 percent, while processing higher volumes of transactions and deploying system changes for continual improvement as we constantly work to increase redundancy, stability, and scalability.

### Maintain an effective cybersecurity program

	FY 2018	FY 2019
<b>Target</b>	Achieve an overall score of “Managing Risk” on the Federal Cybersecurity Risk Management Assessment	Achieve an overall score of “Managing Risk” on the Federal Cybersecurity Risk Management Assessment
<b>Target Achieved</b>	Met	TBD
<b>Performance</b>	“Managing Risk” score achieved	TBD

Analysis: Maintaining our cybersecurity is critical to sustaining public trust in our services. We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. We continue to meet the Department of Homeland Security cybersecurity target, as well as achieve an overall score of “Managing Risk” on the Federal Cybersecurity Risk Management Assessment. Our annual results continue to demonstrate our commitment to protecting the data the American public entrusts to us. FY 2019 data will not be available until January 2020.



To improve how we do business, we will:

## **INCREASE THE NUMBER OF PEOPLE WITH DISABILITIES WHO RETURN TO WORK**

Many beneficiaries who are disabled want to work and may attain self-sufficiency with adequate support. The Ticket to Work program and the VR cost reimbursement program help beneficiaries transition to employment and progress towards reduced reliance on disability benefits. In FY 2019, over 344,174 beneficiaries worked with VR agencies and Employment Networks (EN) to attempt to return to the workforce. We will continue to improve our outreach to beneficiaries about employment support programs. Ongoing mailings, marketing efforts, monthly webinars, and an interactive presence on social media have led thousands of beneficiaries to connect with ENs and State VR agencies to get the services they need to return to work.

## **MODERNIZE THE SOCIAL SECURITY STATEMENT**

To improve customer service and the public's understanding of our programs, we are modernizing the online Social Security Statement (Statement) available through the *my Social Security* portal. The modernized online Statement will not only continue to provide the public with their earnings records, Social Security and Medicare taxes paid, and future benefit estimates, it will also provide access to tools, calculators, supplemental fact sheets, and other applicable information in a central location. The information provided will be customized based on the user's age and earnings history, providing a more relevant experience. Together, it will assist individuals with retirement planning and learning about benefit eligibility. In FY 2019, we began modifying the *my Social Security* online Statement to integrate it with additional benefit estimation tools through the Benefit Entitlement Center, and we will continue to add new features.

## **INFORMATION TECHNOLOGY MODERNIZATION**

Our staff rely on our IT infrastructure to serve the public and safeguard our programs. However, our infrastructure needs have evolved as technology has changed and the demands for our data and programs have increased. We developed some of our core business systems over 30 years ago, and we have struggled to keep pace as newer technologies advanced what is possible with the use of modern tools and emerging IT capabilities such as artificial intelligence. Our IT infrastructure has grown increasingly complex and costlier to maintain and secure as we applied incremental changes on top of prior revisions.

We initiated our *IT Modernization Plan* in FY 2018 to improve our service to the public. We will advance our IT infrastructure with 21st century technology and implement the technical flexibility necessary to adapt to future demands. To achieve our modernization goals, we will invest \$691 million over 5 years, including the \$325 million that the Congress provided in dedicated IT Modernization funding in FYs 2018 and 2019. In FY 2019, we modernized our database infrastructure and support capabilities; improved access to master file data to allow the eventual retirement of legacy software; consolidated and eliminated duplicate data; expanded our enterprise data warehouse; and delivered Old-Age, Survivors, and Disability Insurance Cost of Living Adjustment Notices online.

## **STRENGTHEN OUR INFORMATION SECURITY PROGRAM AND MODERNIZE OUR CYBERSECURITY INFRASTRUCTURE**

Maintaining the public's trust in our ability to protect sensitive data housed in our systems requires continuous monitoring of threats and continual improvement and strengthening of our cybersecurity program. Through constant assessment of the threat landscape and use of advanced cybersecurity controls, we can better protect against cybersecurity incidents and risks. We continue to emphasize the importance of information security through continual operational refinement and the maturation of security components in accordance with the standards set forth by government regulations.

In FY 2019, we mitigated vulnerabilities and enhanced our identity management platform to protect our IT assets. We enhanced our identity management platform, further automated our response to security events, and improved data at rest encryption to further protect our information assets. We deployed IT infrastructure, developed network



models needed to enhance our network access controls, and strengthened our strategy to limit the impact of potential cyberattacks. We implemented new email and network safeguards to detect and prevent malware from entering our network. Additionally, we developed and implemented our plan to address key cybersecurity skill and knowledge gaps identified under the *Federal Cybersecurity Workforce Assessment Act*.

## STRATEGIC GOAL 3: ENSURE STEWARDSHIP

### Strategic Objectives

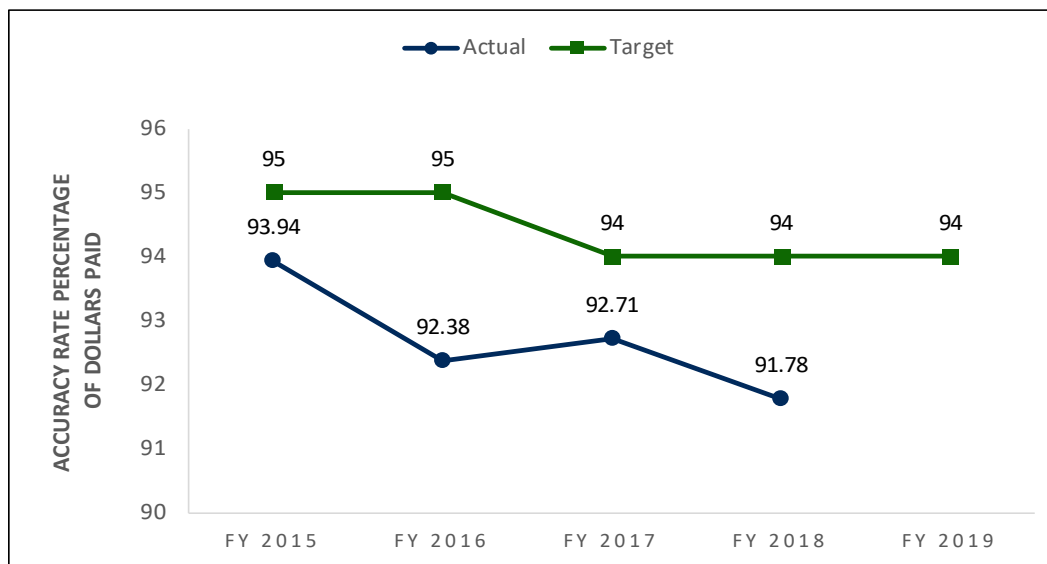
- Improve Program Integrity
- Enhance Fraud Prevention and Detection Activities
- Improve Workforce Performance and Increase Accountability
- Improve Organizational Effectiveness and Reduce Costs



[Antifraud facts:  
www.socialsecurity.gov/antifraudfacts/](http://www.socialsecurity.gov/antifraudfacts/)

We selected the following performance measures to demonstrate our efforts to ensure stewardship:

### Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (APG)



Analysis: We rely on SSI recipients to timely report changes in income, resources, and living arrangements in order to accurately determine their eligibility for the program and payment amount. Without timely reports, we incur improper payments.

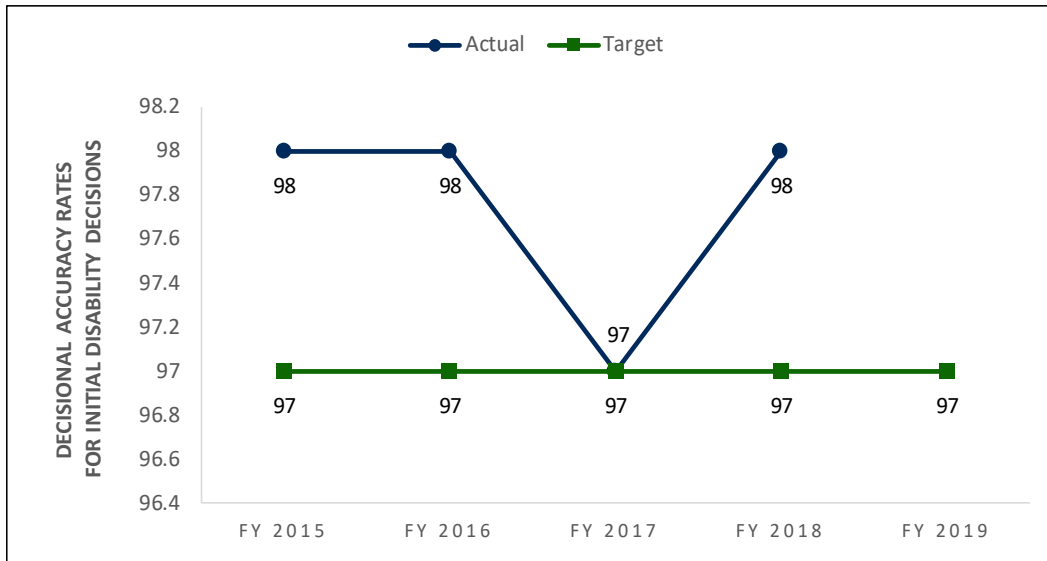
In addition to our key program integrity workloads, we have an aggressive strategy, utilizing various initiatives, to reduce improper payments: Access to Financial Institutions program, identifying non-home real property, enhancing the SSI wage-reporting process, quality reviews, reducing underpayments to vulnerable populations, increasing post-entitlement accuracy, improving death data processing, expanding Benefit Payment Offset, conducting a debt risk assessment, modifying our Treasury Offset Program, developing a Debt Management Product, and additional data exchanges to prevent improper payments.

In support of our efforts to improve payment accuracy, we are making progress towards implementing an online debt collection application and creating an automated process to improve accuracy in our payment



records. We will also modernize and simplify the waiver and appeal process. FY 2019 data will not be available until summer 2020.

### Ensure the quality of our decisions by achieving the State disability determination services decisional accuracy rate for initial disability decisions



Note: Decisional accuracy is the percentage of correct initial State disability determinations and is based on the net error rate (i.e., the number of corrected deficient cases with changed disability decisions), plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report, divided by the number of cases reviewed.

Analysis: The public expects us to make timely and accurate decisions. In FY 2018, we demonstrated the quality of our decisions by achieving a decisional accuracy of 98 percent for initial disability decisions. We have consistently met our target for this measure since FY 2010. FY 2019 data will not be available until January 2020.

To ensure stewardship, we will:

### PROMOTE TIMELY WAGE REPORTING

Changes in a person’s work and wages are a leading cause of improper payments in the DI and SSI programs. Currently, we use a number of sources to verify wage amounts, including pay stubs submitted by recipients, annual earnings data from the Internal Revenue Service, and payroll information from The Work Number. However, verifying wages is a manual process, and we continue to rely on beneficiaries to report wages.

In FY 2017, we implemented an online tool, myWR, which allows DI beneficiaries to report earnings electronically on computers, mobile devices, and smartphones through [my Social Security](#). In FY 2018, we expanded myWR to allow SSI recipients and concurrent (SSI and DI) beneficiaries, their representative payees, or their deemors (e.g., an ineligible spouse or parent living with the recipient) to report earnings electronically.

In FY 2019, users successfully submitted over 99,000 myWRs. In addition, we developed requirements, conducted market research, and released the solicitation for a contracting opportunity for payroll data providers, which allowed us to collect over 11.8 million consent authorizations from applicants, beneficiaries, and recipients.



## **MODERNIZE OUR DEBT MANAGEMENT SYSTEM**

We have multiple systems that manage programmatic debts. We are engaged in a multi-year initiative to develop a modernized enterprise Debt Management System to help us better collect, store, monitor, and report our program debt activity. The primary goals of this initiative are to use modern technology to create an enterprise authoritative source of debt management data, increase debt collections, more efficiently address our overpayment workloads, and resolve compliance and audit issues.

## **ENHANCE FRAUD PREVENTION AND DETECTION ACTIVITIES**

Combatting fraud is an agency priority, and we take seriously our responsibility to prevent and detect fraud. With the Office of the Inspector General, we jointly operate Cooperative Disability Investigations (CDI) units with State DDSs and State and local law enforcement. In FY 2019, we added 3 CDI units, resulting in 46 CDI units covering 40 states, all U.S. territories, and the District of Columbia. Generally, these units investigate suspected fraud before the agency awards benefits and during the continuing disability review process.

In addition to our core program integrity efforts with the CDI units and assisting with fraud prosecutions, we have centralized our anti-fraud efforts to take advantage of data analytics and predictive models to prevent fraud, ensure consistent anti-fraud policies, refine employee training, and solidify relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain DI and SSI payments.

We are focused on a holistic analytical approach to our fraud risk management and prioritize our anti-fraud efforts consistent with the *Fraud Reduction and Data Analytics Act of 2015* and the Government Accountability Office's framework for managing fraud risks in Federal programs. We continue to expand the use of data analytics and predictive modeling to enhance fraud prevention and detection in our programs. We integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we better identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions before payments are made. In FY 2019, we completed fraud risk assessments of our electronic services and administrative areas, and developed a fraud model to mitigate risks. We also plan to initiate additional risk assessment activities to expand beyond disability and online services.



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## LOOKING FORWARD – FACING OUR CHALLENGES

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Public service drives every decision we make. Our top priorities are to improve public service – particularly reducing National 800 Number, field office, and hearings wait times, and modernizing our disability policies and our IT, including providing more digital and automated service options.

While the agency has made significant progress in addressing some key challenges in recent years, we have much more work to do. We are taking a hard look at how we spend our funding, what the public gains from our IT investments, and the effectiveness of our current business processes to look for efficiencies and process changes that will help us improve service to the public while we also maintain our stewardship responsibility.

With the special hearings backlog funding we received and our dedicated employees, we have made tremendous progress in reducing the hearings backlog and wait times. As of the end of FY 2019, we reduced the backlog to about 575,000 cases, the lowest level since FY 2004. In addition, the average wait time for a hearing decision is 506 days, a 25 percent improvement from the height of 633 days in September 2017. By the end of FY 2021, we expect to have an average wait time of 240 days.

While we are on a steady course to eliminate the hearings backlog, we are also committed to finding solutions to address service issues in our frontline operations. Our field offices are often the first point of contact for our customers and provide ongoing support in our communities. We will continue to explore ways to reduce wait times and pending workloads in our offices and improve our communications with the public. Taking a fresh view will help us identify and solve problems, including how we can drive effective change. We will focus our hiring on frontline operations to serve the public.

Millions of customers also depend on our National 800 Number technicians to answer critical and time sensitive questions. One of our first areas of improvement will be our National 800 Number, which has long wait times and high busy rates that are unacceptable. We have made hiring for the National 800 Number a top priority while also bringing in industry experts to help us look at how we can modernize our service and use our new unified communications platform to provide more automated solutions that can better serve the public and allow our staff to focus on the most complex work.

We cannot deliver timely and accurate services to the public in the future without modernizing our IT. We made tremendous progress in our modernization efforts, thanks to the support of the Administration, Congress, and the hard work of our employees. Technology has become valuable in optimizing resources and delivering on customer expectations, so we must continue to move forward and replace all of our outdated systems with modern systems that meet 21st century needs.

Streamlining agency policies is essential to gaining efficiencies. Over the course of time, policies have become more and more complicated leading to errors, complexity for our employees and the public, and the inability to automate. We will explore simplification opportunities and identify outdated rules and regulations that we will consider updating or removing.

We continue to be focused on our mission, and look forward to making the agency an even stronger, more responsive and modern organization.