

Social Security Advisory Board
400 Virginia Ave S.W., Suite 625
Washington, D.C. 20024

Agenda for Tuesday, July 28, 2015

- 9:15 a.m. to 10:45 a.m. **Bipartisan Policy Center**
Bill Hoagland, Senior Vice President
David Hoppe, Senior Advisor
Shai Akabas, Associate Director of Economic Policy
Brian Collins, Senior Policy Analyst
- 10:45 a.m. to 11:00 a.m. **Break**
- 11:00 a.m. to 12:30 p.m. **Dr. Ephraim Feig - SSA-2020: Vision and Strategy**
CEO of Topwhats, Inc.
Former Associate CIO (2010 – 2012), SSA
- 12:30 p.m. to 1:30 p.m. **Lunch and Board Business**
- 1:30 p.m. to 3:00 p.m. **Robert Klopp – Current SSA Systems Projects**
Deputy Commissioner, Chief Technology, SSA
- 3:00 p.m. to 4:00 p.m. **Steve Goss – Trustees Report**
Chief Actuary, SSA

MEMORANDUM

To: Social Security Advisory Board
Subject: Recent Legislation
Date: July 21, 2015

Social Security Offsets in Transportation Bill. The House and Senate are working on legislation to fund the Highway Trust Fund that is set to deplete on July 31. In the Senate, Finance Committee Chairman Orrin Hatch has provided a list of items to pay for a six-year bill. Two Social Security offsets have been floated to pay for extending the legislation:¹

- Eliminate concurrent receipt of Social Security Disability Insurance and Unemployment Insurance.
- Prohibit Social Security or Supplement Security Income payments to beneficiaries with outstanding warrants out for their arrest.

Addressing the Disability Trust Fund. On July 2, House Ways and Means Committee Chairman Paul Ryan and Subcommittee on Social Security Chairman Sam Johnson announced principles for addressing the upcoming depletion of the Disability Trust Fund: uninterrupted payments to disability beneficiaries, preventing a 20 percent benefit cuts, improving efficiency, and encouraging return-to-work efforts.

Ryan, Johnson, and Hatch call for ideas. On July 8, Chairmen Ryan, Johnson and Hatch released a call for individuals, researchers, businesses, organizations, and advocacy groups to propose ideas for improving finance of the DI Trust Fund. Submissions can be sent to ImproveDI@mail.house.gov.

Ways and Means hearing on Social Security. On July 9, the Ways and Means Committee held a full committee hearing on Social Security. The hearing focused on returning disability beneficiaries to the workforce. Chairman Ryan described the two largest obstacles for returning to work as 1) complicated rules and 2) the “cash cliff.”

¹ <http://www.c-c-d.org/fichiers/CCD-SSTF-Co-Chairs-Letter-07-16-15.pdf>

MEMORANDUM

To: Social Security Advisory Board
From: Claire Green
Subject: Overview Memo for July 28, 2015 Board Meeting
Date: July 20, 2015

This month, we will be covering several different topics the Board is currently looking into:

The Board meeting will begin with a discussion with the Bipartisan Policy Center (BPC). The senior staff representatives include G. William Hoagland, Senior Vice President; David Hoppe, Senior Adviser; Shai Akabas, Associate Director of Economic Policy; and Brian Collins, Senior Policy Analyst. They will discuss the work they have been doing this past year on disability solvency options.

Following the BPC, the Board will meet with Dr. Ephraim Feig. Dr. Feig was the former Associate Chief Information Officer at SSA from 2010-2012. Dr. Feig's background is primarily in the technology field in private industry and he is currently the CEO of Topwhats, Inc. Dr. Feig wrote a document outlining his vision for the systems technology at SSA that he published shortly after leaving SSA. This document has been included in this month's briefing material.

After lunch, the Board will meet with Mr. Robert Klopp, who is SSA's Chief Technology Officer. Mr. Klopp also comes from the private sector. He is from Silicon Valley and has been with SSA only a few months. He will be briefing the Board on current projects and efforts to update SSA's systems.

We will end the day with Chief Actuary Steve Goss. Mr. Goss and his team at the actuary's office have indicated the Trustees Report will be released midweek. Once it is released, we will prepare a memo outlining any significant changes.

For those that can stay for a celebration, following the Board meeting, we will be celebrating Deputy Chief Actuary Alice Wade's retirement in August. We will be taking her to dinner at Station 4, a restaurant that is within walking distance from the SSAB office. Please let Anita or Caitlyn know if you can join us.

Meetings and Events

The following is a synopsis of some hearings, briefings, and events attended since our meeting in June:

- On June 25th, SSAB staff attended a meeting with Stacy Cloyd, Deputy Director of Government Affairs, and Barbara Silverstone, Executive Director of National Organization of Social Security Claimants' Representatives (NOSSCR). NOSSCR is an association of attorneys who provide legal representation to Social Security Disability and Supplemental Security Insurance claimants. Topics discussed during the meeting included: How the national organization operates, concurrent beneficiaries of SSI and SSDI, legal representation of disability claimants, barriers to claimant understanding of SSA policy, post-eligibility issues such as returning to work, the relative rarity of fraud cases as compared to errors resulting in overpayments, and the responsibilities of

administrative law judges. Ms. Cloyd advised simplicity in creating and proposing policy in order for it to be more accessible to claimants and simpler for SSA to administer.

- On July 15th, SSAB staff attended the National Disability Forum: *Transitioning SSI Childhood Beneficiaries to Successful Adulthood*. Following a welcome and opening remarks by Virginia Reno, a panel discussion took place. Molly Costanza (Social Science Research Analyst, ORDES, SSA) presented on the current landscape of the child SSI program. Marie Mann (Medical Officer, Mental & Child Health Bureau, Health Resources, and Services Administration) presented on the mission and goals of maternal and child health bureau and aspects of health as it pertains to transitioning with a disability. Janet LaBreck (Commissioner of Rehabilitation Services Administration) presented on Workforce Innovation & Opportunity Act (WIOA), cultural factors, financial factors, job readiness, and resources on the local, state, and federal level as important matters to consider for youth in transition. T.J. Sutcliffe (Director, Income and Housing Policy, The Arc) gave a broad overview of issues related to children transitioning on the SSI program, including family economic security, wrap-around services, work and education incentives, and concerns of youth and families as they transition into adulthood. Following the panel presentations, the audience engaged in Q&A and discussion with the panelists concerning implications for the program and policy.

MEMORANDUM

To: Social Security Advisory Board
Subject: Monthly Media Synopsis
Date: July 16, 2015

Monthly Media Synopsis

OPM hacking. On July 9, the office of Personnel Management (OPM) announced that more than 22 million personnel records were breached, including the Social Security numbers of federal employees, contractors, and family and friends. Director of OPM, Katherine Archuletta, testified in a June 25 hearing before the Senate Homeland Security and Government Affairs Committee that the hack began in March 2014 and was discovered in March 2015. Director Archuletta subsequently resigned. In the aftermath of the breach, SSA hired Tanium, a cybersecurity company, to help protect its system from hackers. Tanium developed a system that is able to scan an enormous amount of computers and their networks to ensure there are no hackers in the private system.¹

Whistleblower Testimony. Michael Keegan, a former SSA associate commissioner in charge of the National Computer Center (NCC) project, recently testified before the Senate Homeland Security Committee, claiming that the \$500 million was given to SSA during the 2009 stimulus to replace the old NCC. Instead, after the new NCC was built, the original NCC continued in operation with hundreds of employees still work there. When Mr. Keegan raised concerns over the project, he claimed to have faced backlash in the form of being confined to an empty office and given little to no work, forcing him to retire early in 2014. The Office of the Inspector General found that SSA did not mislead Congress even though it admits SSA talked about “replacing” the center and “did not implicitly state” it would stay in use.²

Obergefell v. Hodges. On June 26, the Supreme Court in *Obergefell v. Hodges*, decided that all same-sex couples have a constitutional right to get married and be recognized in all 50 states. SSA announced on their website that they are working with the Department of Justice to analyze the decision and provide instructions on how to process claims. They also encouraged anyone who is a spouse, divorced spouse, or surviving spouse of a same-sex marriage or non-marital legal same-sex relationship to apply for benefits.³

¹ Bing, Chris. *Social Security Administration hires Tanium to stop it from getting hacked*. DC Inno. June 11, 2015. Available at <http://dcinno.streetwise.co>

² Berger, Judson. *How did federal agency get \$500M from stimulus? 'We misled Congress,' ex-official says*. Fox News. June 18, 2015. Available at <http://www.foxnews.com/politics/2015/06/18/how-did-agency-get-500m-from-stimulus-misled-congress-ex-official-says/>

³ Available at <http://www.ssa.gov/people/same-sex-couples/>

**Social Security Advisory Board
June Board meeting
June 23, 2015**

Morning Executive Session

Update on Badges. Board members will have to go through a background check for the badges.

Parking. Although garage displays that parking is full, there will always be spots for Board members as long as members inform attendant that they are with SSAB.

DI report. Board members are working with staff on the DI Solvency report. Committee for a Responsible Federal Budget (CRFB) staff members will come to speak with the Board and staff before the solvency report is published.

Single Decision Maker (SDM) report. Members were informed that the report is complete and in layout form; however, there are still formatting issues. The title needs to be changed because the Board is no longer recommending that a decision is necessary but that more data is needed to make a decision.

The SDM report emphasizes that a long-term study that does not yield results or data should not occur again. A study needs to be designed carefully and monitored closely. In the last meeting, the Commissioner stated that the Board was going in a different direction than her on the issue. One member pointed out that the Board is still not going her way.

WEP paper. The WEP/GPO has now become the WEP paper. The best way to simplify the report was by cutting out GPO which will be addressed in a later issue. Once the Board reviews the current draft, the report is ready to be published.

Annual Report. The report is done. It was sent to Board for comments, but not all comments have been received yet.

UI/DI paper. This paper includes the administrative process that was added in the back. There was concern over the pros and cons sections of the paper and sections have been cut as a result. Mr. Cohen, will read the draft and provide comments on areas where he feels pros and cons are necessary. This paper will be sent to Board members with comments requested within two weeks.

SSI paper. This paper is getting closer to completion. It focuses on In-Kind Support and Maintenance (ISM) to explain the complexity of the process and SSI asset limit. This paper is to be published a few weeks after the Trustees Report. The draft will be sent to Board for review soon.

Rehired annuitants. Paul Cullinan will be working on a retirement paper. Elaine Fultz will help with sections of the solvency report.

Meeting with Inspector General Patrick O’Carroll & Deputy Inspector General Gale Stallworth Stone (OIG)

Death Master File. Inspector General Patrick O’Carroll discussed the publicity that the Death Master File (DMF) has received since CBS’s *60 Minutes* piece in March, for which he had been asked to do an interview. An audit by the Office of Inspector General (OIG) found 6.5 million people over 112 years old that SSA had not listed as dead. These individuals were not receiving benefits.

SSA is required to share death information with other agencies in accordance with Treasury’s Do Not Pay Working System. Mr. O’Carroll indicated that some people who are listed as deceased in the Numident, a database file used when processing SSNs, were never transferred over to the more widely available DMF. The Numident is not matched to the DMF, although that should be the case. The systems are not interoperable and it would require manual input. A Board member asked the possibility of hiring a “bright fourteen year old” to write a program to transfer the files or use indicators such as extreme age to flag files to be verified as alive. One indicator currently used is Medicare non-usage, but there may be other indicators. Mr. O’Carroll cited that there are 600 cases a year in which someone is found to be collecting the benefits of someone who is deceased. There were many mistakes made in the 1980s, and some people have been collecting a deceased family member’s benefits for 30 years. Although there are improper payments, only one-third of cases are prosecuted.

Representative payees. Deputy Inspector General Gale Stallworth Stone described work on the rep payee program as a priority. Rep payees are accountable to SSA in terms of how they use funds. Currently a low number of rep payees are subject to audits. A National Academy of Sciences (NAS) study pinpoints characteristics of rep payees that are at risk of misusing funds. The agency currently does ad hoc reviews of rep payees, primarily of rep payees affiliated with an agency.

Rep payees serving a large volume (over 50 people) may require more frequent review because beneficiaries in this situation are more vulnerable. Individual rep payees are not paid and have a fiduciary responsibility to the beneficiaries they serve. Part of the problem is that it is hard to determine if high volume rep payees are working for an organization or as an individual, as the application process for both are the same. The agency relies on self-reporting of the applicant, and individual rep payees are not subject to a tri-annual review, but organizational rep payees are. A Board member asked how SSA could collaborate with state and local organizations to

increase oversight. Another member pointed out that there are protection and advocacy organizations in the states, but asked how that could be translated to individual rep payees. Field offices need tools and information to make informed decisions when it comes to appointing an appropriate rep payee. The sense was that there is a lot of abuse and many vulnerable people involved in the system.

One Board member asked whether direct deposit has helped to improve oversight. Ms. Stone reported that it has helped in that SSA can now see exactly where the money goes. However, the agency has noticed that funds are sometimes deposited incorrectly (e.g. multiple beneficiaries' checks being deposited in one account, rather than separate accounts for each beneficiary). One Board member asked about the possibility of using Certified Public Accountant (CPA) firms to take over the accounting aspect of oversight. The IG has long recommended this approach, especially for organizational payees.

One Board member argued that the standards of misuse need to be better defined, as it is often not clear to the payees. The importance of interviewing the beneficiaries themselves was also emphasized.

Other topics discussed by the IG:

- Cooperative Disability Investigation (CDI) units: there are currently 28 units set up in 24 states. Savings have been approximately \$3 billion so far. In order to establish a CDI unit, resources from both the OIG and local law enforcement are needed. However, getting cooperation with law enforcement has been an ongoing challenge for OIG.
- IT Updates:
 - Recent IRS and OPM data breaches have been a concern for the OIG since SSA has similar systems problems. Internal penetration testing by contractor Grant Thornton has revealed weaknesses in security, and once was even able to gain access to the Commissioner's email account. Disability Determination Services (DDS) are a major concern in this regard, since a lot of information is shared between these entities and SSA.
 - The Disability Case Processing System (DCPS) was also briefly discussed. The OIG has been monitoring its progress, which has been slow. Their primary concern is that SSA will not receive a full, final product worth its initial investment.

Meeting with Acting Commissioner Carolyn Colvin

Representative payee issues. A Board member initiated a talk on the difficulties of tracking rep payees who misuse funds and asked the Commissioner's thoughts on the issue. SSA currently

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monitors less than 2,000 cases and has over six million rep payees. Ms. Colvin stated that these types of broad programs introduce elderly abuse and financial exploitation. She explained how past experience has shown her that the parent rep payees do not necessarily record the beneficiaries' finances and a lot of abuse cases are from family members. Currently, financial reporting is not effective and Ms. Colvin stated that it might be best to contract out the monitoring of financial reports.

Ms. Colvin emphasized that she would like to fix the problem of abuse in an appropriate manner. Department of Veterans Affairs (VA) uses the VA benefit to pay the small number of payees in the program. However, this system cannot be implemented in SSA because their benefits are insufficient to begin with. She stated the average retirement benefit is \$1,200 per month and the average disability benefit per month is \$1,500 and cutting any amount from this would harm the beneficiary. She added that, instead, she would like to implement background checks on rep payees.

Ms. Colvin explained the need for guidelines to determine who can serve as a rep payee. She stated that her concern with individual rep payees was that they will not take the important steps to perform their jobs well, due to the large number of beneficiaries that they serve. There needs to be a limit on the number of beneficiaries that individual payees represent. In some occasions, rep payees do not live in the same state as the beneficiaries, which should not happen. She stated that she has been working with local and state agencies to see if she can mirror their programs dealing with monitoring funds.

Ms. Colvin explained that, in some instances, a beneficiary might die and the rep payee might not report the death and keep collecting benefits. She also stated that there are no resources for fighting fraud and that the agency must use its own employees to detect fraud. Another challenge area is that some individuals who need rep payees do not have them.

The challenge with rep payees for the elderly is typically the rep payee is a family member. If there is any incidence of abuse, the beneficiary is usually embarrassed to let the agency or anyone know that they are being abused. Another challenge they face is a beneficiary being on joint accounts which is an issue because if the beneficiary passes away, benefits could still be deposited into the joint account.

There is also a resource constraint in the field offices. There is a huge backlog in field office work. SSA's claims representatives are the same people who designate the rep payees and are not necessarily well-trained in the rep payee program. However, the bigger issue is in the inconsistency in applying the rules. Ms. Colvin would like to set up a program integrity fund that does not require using other program dollars for these programs. She would like to bring in an organization that would look at process re-engineering.

Old debt. The referral of cases to the Treasury for offsetting is troublesome. Ms. Colvin does not believe that those who were under the age of 18 during the time of overpayment should be bombarded with this debt. However, the law does not allow SSA to waive these debt collections. She has suspended these debt collections because individuals who were overpaid did not have due process as most of the letters were returned. The problem arose after Treasury recently changed the regulations on collection of overpayments. The original regulations stated that an agency cannot collect an overpayment of more than 10 years old. However, Treasury changed the regulation lifting the time limit leading to the collection of debts over 40 years old.

Vision 2025. SSA has used the feedback received from National Academy of Public Administration (NAPA). Ms. Colvin explained that the report was meant to be a prelude to SSA's plan, not necessarily the plan. It is a guiding document that will be used in the strategic plan. SSA is also working on an implementation plan to start putting the plan into effect.

The following are the focus points for the next two years each lead by career Senior Executive Service (SES)

- Superior customer service
- Educate employees and the public about our programs
- Enhance online services
- Online replacement of Medicare and SSN cards
- Reduce hearings backlog
- Employee training and mentoring
- Innovative processes – IT process improvement
- Data driven decisions

Meeting with Marianna LaCanfora & Dan Zabronsky (ORDP & OQI)

Representative Payees. Mr. Zabronsky began by discussing the integrity of the rep payee program. He discussed the predictive models built by his component to detect payee misuse. According to these models, rep payee misuse in the agency has been minimal. Mr. Zabronsky also described the two types of reviews conducted by SSA – mandatory and discretionary reviews. The quality of reviews varies across regions. Ms. LaCanfora added that it is harder to hire staff than to find a contractor to perform these mandatory reviews. She also pointed that a rep payee is not a social worker as Social Security is an insurance program and not a social service. The current process of site reviews focuses on organizational rep payees; however new reviews will include custodial and familial payees. A forthcoming monitoring program would create several initiatives on making appropriate selection. However, there still needs to be more research to measure the impact of the new initiatives.

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Ms. LaCanfora stated that the current rep payee review structure is not effective. SSA is expected to act in both a fiduciary/accounting capacity and play a social service role. She discussed some anticipated changes that SSA believes will improve the process, such as a doubling of the number of sample reviews (to improve statistical validity) and an increased number of site visits compared to what was done in the past. SSA also plans to establish a centralized team at the headquarters dedicated to audits and reviews. These initiatives are estimated to increase rep payee costs from \$7 million/year to \$25 million/year.

Both Board members and SSA representatives noted the difficulty in defining standards for payees. In theory, the rep payee is required to do everything in his/her power to improve and maintain a beneficiary's quality of life, but with low-income beneficiaries receiving SSI, this can be a challenge. It can be difficult to distinguish between "poverty" and "neglect" in certain situations. Another concern noted by the Board was a lack of actual training and certification for individual rep payees. While organizational payees do receive training from SSA, it is very limited.

Death Master File (DMF). Ms. LaCanfora briefly discussed the recent media reports criticizing the DMF, and emphasized that the death file was originally designed solely for SSA benefit purposes. She explained that since SSA is the best at collecting death data, other agencies and organizations want to use SSA's data for their own purposes. According to Ms. LaCanfora, SSA's records are better than any other vital records offices.

Ms. LaCanfora emphasized that DMF data is inaccurate and incomplete, since it includes SSA beneficiaries dating back almost to the inception of the program. In this sense, she noted that there may also be problems with birth records as well. For this reason, SSA cannot simply "delete all 112 year olds," since their birth dates are not confirmed to be correct.

A Board member raised the question of why different agencies did not always have an accurate record. Ms. LaCanfora indicated that systems did not talk to each other. When a correction is made in the Numident, it will propagate to the DMF *during an update*. Benefit paying agencies can rely on the DMF, however, they have to obtain an updated version weekly or monthly.

Ms. LaCanfora stated that the DMF has improved since its inception in 1935. The Electronic Death Reporting (EDR) system is the gold standard for death reporting. EDR allows for an efficient and accurate method of death reporting. Ms. LaCanfora stated that death records have been excellent for the last fifteen years and the problem is only retroactive. Ms. LaCanfora explained how better access to the EDR system would dramatically improve data accuracy going forward. She also mentioned that SSA is exploring data analytics to better identify erroneous records in the DMF.

Meeting with Committee for a Responsible Federal Budget (CRFB)

Members of the CRFB discussed depletion of the DI Trust Fund expected in the near future. The team presented the selected papers they are sponsoring for the *SSDI Solutions Initiative*. These papers aim at improving various aspects of the Social Security Disability Insurance (SSDI) program. They explained that these project models did not have an exact answer but provide broad recommendations.

McCrery-Pomeroy SSDI Solutions Initiative:

- **Reducing CDR backlogs:** This proposal would allow the extraction of medical records from beneficiaries' electronic folders, the development of an automated method for the likelihood of future medical improvement, and improve current CDR predictive models. Reforms focus on using technology to improve the processes and alleviate case backlog.
- **Streamlining the determination process and promoting education for workers with disabilities:** The process includes eliminating the first level of appeal. It would aim to develop a work incentive education and skills enhancement program to promote long-term work.
- **Reforming the disability adjudication process:** This proposal was submitted by SSA ALJs to reform the disability hearings and appeals process. Reforms would include closing the record, altering the fee structure, and a government representative in the hearing room. Mr. Lorenzen acknowledged that the evidence about government representatives is mixed. He stated the proposal is more of a policy argument than focus on program implementation.
- **Encouraging enrollment in private disability insurance:** The next proposal would expand private disability insurance through three actions. First, employers would be encouraged to use "automatic enrollment arrangements" for group disability plans. Second, they would implement a federal education and outreach program to encourage disability insurance. Third, they would explore private sector techniques to encourage returns to work.
- **Expanding workers compensation and experience rating SSDI:** This proposal would require the states to compensate work-related injuries, set-aside funds to cover future workers compensation cash benefits, and implement experience rating so that employers would have an incentive to reduce injuries and keep disabled workers on the job. The Board discussed whether this would lead to discrimination against older and disabled workers. Mr. Lorenzen stated that this issue is addressed in the proposal.
- **Increase long-term supports:** The next proposal would expand health insurance to include long-term service and allow more people to buy into a Medicaid-type program

that would cover work supports not covered by health insurance. The proposal would expand tax credits to assist in covering costs of work supports.

- **Early-intervention pilot:** This proposal would start a 10-year pilot to test a revised disability determination process that would provide more employment supports for workers applying for SSDI. The pilot would be based on models used by disability insurance providers, worker’s compensation, and international examples.
- **Expand community-based health centers:** This proposal would build on existing programs in Washington state and the United Kingdom to expand medical and vocational rehabilitation support to workers who are affected by a disease or injury. This proposal is aimed more at injuries that result in long-term disabilities, but would also target people on SSI, SSDI, or those considering applying. After testing, the hope is to implement it nationally.
- **Transitional jobs and tax incentives:** This proposal would offer transitional jobs through tax subsidies to SSDI beneficiaries—similar to sheltered workshops. These would be wage-paying jobs that individuals could do temporarily while searching for permanent work. The proposal would also increase the EITC and gradually offset benefits to incentivize work.
- **Partial disability benefits:** Jason Fichtner’s plan would create partial disability benefits instead of the all-or-nothing definition used for disability benefit eligibility now. For applicants who can work in any basic capacity, including part-time, partial disability benefits would be awarded. He believes demonstration projects should be tested with options for increasing rehabilitation.
- **Temporary disability benefits:** This proposal would provide transitional benefits to the small subset of SSDI beneficiaries with disabilities likely to experience medical improvement. The proposal would explore evidence-based practices for improving function and employment supports to reattach beneficiaries to the labor market.
- **Change definition of disability:** This proposal would change the disability program from a focus on ability to work to a program that focuses on the high cost of disability. The definition would be closer to a quality-of-life measurement. The proposal would hopefully lead to more focus on early intervention and help for people to work, stay at work, or return to work. Staff commented that this could help SSA overcome the difficulty it has with assessing residual functional capacity and the focus on a 40-hour work week.

Bipartisan Policy Center (BPC). Mr. Goldwein explained that the BPC is gathering many proposals and helping to push out options, even ones that it might not recommend. The BPC co-chair may weigh in on big-picture issues, but would probably not endorse specific options. BPC has spent a lot of time on the Hill and observed that the two parties seem to be converging

towards implementing some modest reforms. They believe the less desirable ideas are getting weeded out and the sides are becoming open to more ideas, projects, and demonstrations. The papers will likely be published in the fall, but drafts could be shared before then if requested.

MEMORANDUM

To: Social Security Advisory Board
Subject: Bipartisan Policy Center (BPC) Background
Date: July 16, 2015

The Board will meet with Bipartisan Policy Center (BPC) senior staff who will discuss their research on disability solvency. The BPC was founded in 2007 by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole and George Mitchell. BPC describes itself as the only DC think tank actively promoting bipartisanship. Senior fellows with the organization include former Senators Pete Domenici, John Danforth and Byron Dorgan.

Last year, the BPC announced the creation of the Retirement and Personal Savings Commission, which will study disability insurance (DI) trust fund solvency. Commissioners responsible for trust fund solvency research and advocacy are:

1. **Todd F. Barth**, President, Bowers Properties Inc., Board Member, Texas Teacher Retirement System
2. **Jeff Bingaman**, Former Senator from New Mexico, Former Chairman, Senate Committee on Energy and Natural Resources, Former Member, Senate Committee on Finance and Senate Committee on Health, Education, Labor, and Pensions (HELP)
3. **Charles P. Blahous III**, Ph.D., Public Trustee of Social Security/ Medicare, Research Fellow, Mercatus Center and Hoover Institution
4. **John Hope Bryant**, CEO and Founder, Operation HOPE, Member, U.S. President's Advisory Council on Financial Capability for Young Americans
5. **James H. Douglas**, Former Governor of Vermont, Executive in Residence, Middlebury College, Member, BPC's Governors' Council
6. **David Dreier**, Former Representative from California, Former Chairman, House Rules Committee, Chairman, Annenberg-Dreier Commission
7. **Gail D. Fosler**, President, GailFosler Group LLC, Former President and Chief Economist, Conference Board
8. **William G. Gale**, Ph.D., Co-Director, Urban-Brookings Tax Policy Center, Director, Retirement Security Project, Senior Fellow, Economic Studies
9. **Teresa Ghilarducci**, Professor, Bernard L. and Irene Schwartz Chair in Economic Policy Analysis, The New School, Director, Schwartz Center for Economic Policy Analysis (SCEPA), The New School
10. **C. Robert Henrikson**, Former Chairman of the Board, President and CEO, MetLife, Inc.,
11. **Kilolo Kijakazi**, Ph.D., Institute Fellow, The Urban Institute

12. **Brigitte C. Madrian**, Ph.D., Aetna Professor of Public Policy and Corporate Management, Harvard University
13. **Robert D. Reischauer**, Ph.D., Former Director, Congressional Budget Office, Public Trustee of Social Security/Medicare, Distinguished Institute Fellow and President Emeritus, The Urban Institute
14. **Alan Reuther**, Former Legislative Director, United Auto Workers
15. **Dallas Salisbury**, President and CEO, Employee Benefit Research Institute
16. **Sylvester J. Schieber**, Ph.D., Former Chairman, Social Security Advisory Board, Independent Pensions Consultant
17. **Antonio R. Villaraigosa**, Former Mayor of Los Angeles, Senior Fellow, BPC

Recent BPC Statements on DI trust fund solvency include:

On February 18th of this year, Charles Blahous testified before the Ways and Means Committee regarding DI trust fund solvency in his role as a Social Security trustee. His remarks were paraphrased on the BPC website as follows: “One hallmark of the Social Security system is that benefits are funded by payroll taxes –not by general revenues like most other federal programs. Blahous warned that this traditional funding method would likely have to be abandoned if comprehensive Social Security reforms are not undertaken well in advance of the projected depletion of the combined OASDI Trust Fund in 2033. He argued that changes to revenues or benefit levels would be too late to avert severing the link between payroll taxes and benefits.”

In addition, the BPC said that it views “the upcoming need for action on DI as an opportunity to ensure not only that benefits are preserved and protected for current beneficiaries but also to modernize elements of Social Security and improve the solvency of the trust funds. BPC’s Retirement and Savings Commission is currently reviewing the roles of DI and OASI and how they interact with other elements of the American system. BPC plans to make comprehensive recommendations on these and related issues in the coming months.”

Recent BPC reports and documents addressing solvency can be found at:

[Disability Insurance Trust Fund Solvency: Act Now and Later](#)

[Hatch Introduces Proposals on Social Security Disability Insurance](#)

[Social Security Disability Insurance in Obama’s 2016 Budget](#)



SOCIAL SECURITY ADVISORY BOARD

Tuesday, July 28th, 2015

SPEAKERS



G. WILLIAM HOAGLAND

Senior Vice President, Bipartisan Policy Center

[@billhoagland](#)

G. William Hoagland joined the Bipartisan Policy Center (BPC) in September 2012 as senior vice president. He helps direct and manage fiscal, health and economic policy analyses for BPC.

Before joining BPC, he served as CIGNA Corporation's vice president of public policy beginning in 2007, working with CIGNA business leaders, trade associations, business coalitions and interest groups to develop CIGNA policy on health care reform issues at both the federal and state levels.

Prior to joining CIGNA, Hoagland completed 33 years of federal government service, 25 spent as staff in the U.S. Senate. From January 2003 to January 2007, he served as the director of budget and appropriations in the office of Senate Majority Leader Bill Frist. In this role, he served as a liaison to the leadership of the U.S. Senate and House of Representatives. He assisted in evaluating the fiscal impact of major legislation and helped to coordinate budget policy for the Senate leadership.



DAVID HOPPE

Senior Adviser, Bipartisan Policy Center

David Hoppe is a senior advisor to the Bipartisan Policy Center. He served as the chief of staff for Senator Jon Kyl in the Republican Whip's office. Prior to joining the office of Senator Kyl, Hoppe was president of Quinn Gillespie and Associates after having served nearly 30 years on Capitol Hill, where he held a number of important staff positions in the Republican leadership. He served as chief of staff to then-Senate Majority Leader Trent Lott (R-MS) from 1996 through 2002.

In his early Hill career working with Sen. Lott, Hoppe was staff director of the House Republican Research Committee from 1979 through 1980 and staff director for the House Republican Whip from 1981 through 1984. Hoppe has served as chief of staff to Representative Jack Kemp (R-NY) and administrative aide to U.S. Senator Dan Coats (R-IN). In addition, he worked at the Heritage Foundation as a vice president for government affairs.

Hoppe began his career in Congress as a research associate for the House Republican Study Committee in 1976. Hoppe earned a Bachelor of Arts from the University of Notre Dame and a Master of Arts in international relations from the School of Advanced International Studies at The Johns Hopkins University.



SHAI AKABAS

Associate Director of Economic Policy, Bipartisan Policy Center

[!\[\]\(e2906a780c2bbcdc2a236d79598e58f1_img.jpg\) @ShaiAkabas](#)

Shai Akabas is the associate director for economic policy at the Bipartisan Policy Center (BPC). He joined BPC's Economic Policy Project in 2010, staffing the Domenici-Rivlin Debt Reduction Task Force that year, and assisted now-Fed Governor Jerome Powell in his work on the federal debt limit in 2011. Since then, Akabas has conducted research on other federal fiscal policy issues – including entitlement reform, tax reform, and sequestration – and is currently helping to steer BPC's Commission on Retirement Security and Personal Savings. He has been interviewed by publications including The New York Times, The Washington

Post, and The Wall Street Journal on these topics, and has published op-eds in The Hill and The Christian Science Monitor.

Prior to joining BPC, Akabas worked as a satellite office director on New York City Mayor Michael Bloomberg's 2009 campaign for reelection. He currently serves on the board of trustees for Beit Rabban, a Jewish day school on the Upper West Side of Manhattan. He was born and raised in New York City, and received his B.A. in economics and history from Cornell University. He is currently pursuing an M.S. in applied economics at Georgetown University.



BRIAN COLLINS

Senior Policy Analyst, Bipartisan Policy Center

[!\[\]\(c19358fd94e0cf6da112c93f72051a9c_img.jpg\) @BrianCPolicy](#)

Brian Collins is a senior policy analyst at the Bipartisan Policy Center (BPC). He joined BPC's Economic Policy Project in 2012 and has contributed to several economic and health policy projects, including work on healthcare payment and delivery system reform, financing of long-term care, retirement security, and analysis of federal budget policy and the statutory debt limit.

Collins grew up in Oregon and earned a Masters of Public Policy and B.S. in business administration, with concentrations in accounting and finance, from Oregon State University.

MODERNIZING THE FEDERAL DISABILITY BENEFITS SYSTEM

The Time for Reform is Now

The Issue

Social Security Disability Insurance (SSDI) is part of the Social Security program and pays monthly benefits to people with disabilities who have paid into the Social Security system through past wages. Since 1980, expenditures have increased by 205.5%, the caseload has jumped by 196.6% and the number of workers insured for disability rose 50.9%. According to the Social Security Board of Trustees, the SSDI trust fund is facing depletion in 2016.

The Timing

We believe there is a need for a bipartisan working group to develop recommendations for simplifying SSDI and rescuing it from Trust Fund depletion. The Bipartisan Policy Center (BPC) proposes to pull together a working group in 2014 bringing disparate interests in the disability and business communities together to map out a path forward. The goal would be to advise BPC's Commission on Retirement and Personal Savings and inform the Commission's report that is expected to be release in early 2015.

Why BPC is Uniquely Positioned to Achieve SSDI Reform

BPC, established in 2007 by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole and George Mitchell, develops and promotes solutions to attract public support and political momentum in order to achieve real progress. BPC's model of bringing together Democratic and Republican co-chairmen and a diverse group of working group participants has worked to significantly influence the policy areas of energy, health care, deficit reduction, and immigration.

Through our work on the debt, budget, and tax and entitlement reform, BPC has developed strong working relationships with the leadership of the committees of jurisdiction in the House and the Senate. In addition, BPC has developed a reputation for carving a path forward on these tough entitlement issues that has built credibility with the business and stakeholder communities.

BPC's Commission on Retirement Security and Personal Savings

The BPC recently launched an effort co-chaired by former Senator Kent Conrad and James B. Lockhart III to examine the retirement goals of Americans and the nation's investment needs. Senator Conrad represented North Dakota in the U.S. Senate for 26 years and served as the chairman or ranking Democrat on the Senate Budget Committee for 12-years. Jim Lockhart was appointed by President George W. Bush as deputy commissioner and chief operating officer of the Social Security Administration. He previously served as the executive director of the Pension Benefit Guarantee Corporation. Throughout 2014, the commission will hold roundtables and issue a series of white papers highlighting challenges related to retirement savings, defined contribution accounts, SSDI, annuities, and the intersection among housing, higher-education debt, and savings. The proposed working group chaired by Senator Domenici and directed by David Hoppe will ensure that sufficient stakeholder involvement informs the Commission's examination of SSDI

Building on Existing Research

A number of expert analyses of the problems in the SSDI program have been completed recently, including efforts by CRS, GAO, CBO, the National Bureau of Economic Research, the National Academy of Social Insurance, the CATO Institute, and Mathematica's Center for Studying Disability Policy. Rather than creating additional research, the working group will review the various existing proposals and will inform the Commission about policy recommendations that will achieve the goal of program sustainability.

Among the issues that will likely be addressed by the working group are:

- Incentives to keep disabled employees on the job or to return to work quickly rather than applying for SSDI.
- Simplification of SSDI work incentives to make it possible for people to attempt work despite lifelong severe disability.
- Eligibility review for those on long-term SSDI.
- Provide opportunities for those on SSDI to build work experience to return to the work force.
- Fraud prevention.
- Encourage states to test different program options.
- Ways to promote fiscal sustainability while the program is recalibrated.

Project Goals

1. Encourage substantive, bipartisan dialogue among key interest groups and decision makers on modifications to the SSDI program;
2. Provide substantive stakeholder input for the CRSPS report to be released in 2015. Engage and shape the disability policy debate as it unfolds over the course of 2015.

Membership

The working group will be chaired by Senator Pete Domenici. Dave Hoppe will be the director of the working group. It will consist of members made up of former government and elected officials, economists, disability advocates, labor leaders and other experts in the field.

Senator Pete Domenici
Dave Hoppe

Chairman
Director

Invited to join SSDI Working Group:

Doug Badger
Allison Barkoff
Kelly Buckland
Business
Henry Claypool
Gail Dratch
Jason Fichtner
Marty Ford
Connie Garner
Tim Gearan
Martin Gerry

Former Assistant to President for Legislative Affairs
Bazon Center
National Council on Independent Living
USCC
American Association of People with Disabilities
AFL-CIO
Mercatus George Mason University
The ARC
United Cerebral Palsey
AARP
The Institute on Economic Empowerment, SourceAmerica

Andy Imparato
Pam Mazerski

Martin McGuinness
Jennifer Laszlo Mizrahi
Jeanne Morin
John Paré, Jr.
Harold Pollack
Representative
Bobby Silverstein
Andrew Sperling
David Stapleton
Madeleine Will

Sara Wolff
Ethel Zelenske

AUCD
Former Associate Commissioner at Social
Security
UNUM
RespectAbilityUSA
National Association of Disability Representatives
National Federation of the Blind
U Chicago
Cigna
Attorney
NAMI
Mathematica
Collaboration to Promote Self
Determination
National Down Syndrome Society
National Association of Social Security Claimants'
Representatives

Social Security Disability Insurance: A Lifeline for Millions of American Workers and Their Families

Posted by Jeff Zients and Shaun Donovan on July 17, 2015 at 02:00 PM EDT

The Social Security Disability Insurance (SSDI) program is a vital lifeline for millions of American workers and their families. It is a critical component of our nation's Social Security system, which provides insurance to workers and their families in retirement and in the event of a serious, long-term disability. Millions of workers have benefited from SSDI since it was established nearly 60 years ago. And the 11 million Americans who currently benefit from SSDI could face a deep and abrupt 19 percent reduction in benefits if lawmakers fail to act to address a long-projected shortfall in the program's finances.

Today, the White House is [releasing a report](#) that explains how this critical program works, who it helps, and its importance for working families.

How the Program Works

SSDI is an insurance program that workers pay for while they are working. If a worker can no longer maintain substantial employment due to a severe disability, SSDI replaces a portion of lost income. Beneficiaries earn coverage under the Social Security system by working and paying into the system.

Most individuals receiving SSDI earned middle-class wages before becoming disabled, and beneficiaries paid into Social Security for an average of 22 years before becoming eligible for SSDI. To receive SSDI benefits, workers must have a significant and recent work history, in addition to a serious disability that prevents them from performing substantial work for a sustained period of time. These benefits are modest but they help families pay bills and put food on the table.

Who the Program Helps

Today, more than 150 million Americans are covered by the SSDI program, which means they would receive benefits if they became severely disabled and could not work and earn a living. As with Social Security retirement benefits, SSDI is available to Americans who have a significant work history and have paid a portion of their paychecks into the program. In total, 11 million Americans receive SSDI benefits, including 9 million worker-beneficiaries and 2 million dependent children and spouses of worker-beneficiaries. About one million military veterans receive SSDI. Most SSDI worker-beneficiaries worked most or all of their adult lives before becoming disabled and half of SSDI beneficiaries attended college. Disability insurance protects workers in all sectors of the economy, with large shares of SSDI beneficiaries coming from the service, manufacturing, and retail sectors.

Benefits are Modest but Critical

Disability benefits are modest – only about one-third of what beneficiaries earned before their disability. In their highest-earning five years prior to receiving SSDI, beneficiaries earned about \$42,000 on average, expressed in 2014 wage levels. By comparison, SSDI benefits average \$13,980 per year.



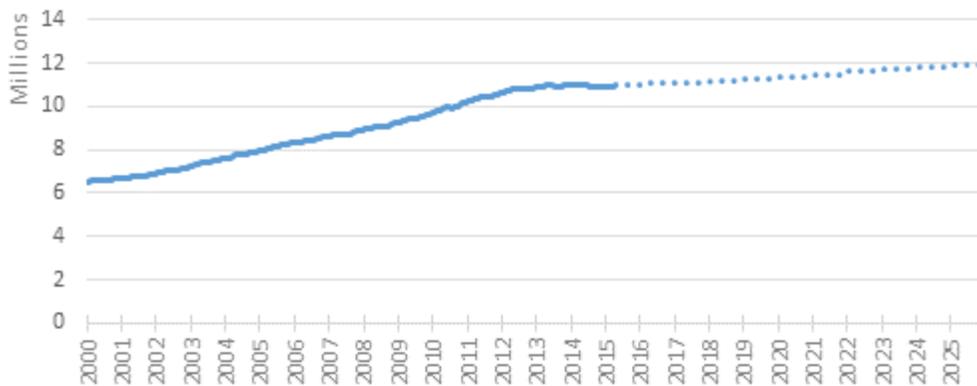
Source: Social Security Administration (SSA)

While modest, these benefits make a meaningful difference for people with disabilities who are no longer able to work. Overall, SSDI comprises more than half (58 percent) of SSDI beneficiaries' family income. SSDI benefits keep 3 million Americans out of poverty and reduce the depth of poverty for another 1.9 million people.

Growth in Disability Beneficiaries Has Slowed

As the population and labor force have grown and aged, so too has the number of Americans who are covered by and receive disability insurance. While the SSDI program has grown over the past 35 years, this growth has slowed significantly and is projected to remain steady. Most of this growth is due to well-documented demographic changes, including a growing and aging population and increases in women's labor force participation. As more women joined the labor force and paid into Social Security, more women achieve insured status and are protected if they become disabled.

Growth in the Disability Insurance Rolls Has Slowed and is Projected to Remain Steady Over the Next Decade



Source: Social Security Administration (SSA) and FY 2016 President's Budget

Congressional Action Needed to Avert Deep Benefit Cuts

SSDI beneficiaries could face a deep and abrupt 19 percent reduction in their disability insurance benefits in 2016 if lawmakers fail to act to address the long-foreseen shortfall in the program's finances. The shortfall was caused by a long-foreseen increase in the number of beneficiaries as population growth, the aging of the population, and increases in women's labor force participation raised the number of workers who contribute to and qualify for the program. The Social Security Trust Fund overall currently has enough money to provide full benefits to both DI beneficiaries and retirees for almost the next two decades, but funding across the two programs is out of balance.

The President has proposed a simple solution that policymakers have taken many times in the past on a bipartisan basis: rebalance the Social Security program in a way that ensures workers with disabilities, retirees, and survivors receive the full amount of earned and expected benefits while policymakers develop longer-term policies to strengthen the Social Security program as a whole. The Administration looks forward to working with Congress to ensure that workers with disabilities and their families receive the full benefits they have earned and need.



Social Security Disability Insurance:
A Lifeline for American Workers and Families

July 2015



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Executive Summary

The Social Security Disability Insurance (SSDI) program is an important and vital lifeline to millions of American workers and their families. For 11 million beneficiaries — workers with disabilities, their spouses, and their dependent children — SSDI helps pay the rent and put food on the table. These beneficiaries, including 9 million workers with disabilities, earned coverage under the Social Security system by working for decades before losing their capacity to work at the onset of a severe disability. Though millions of workers have benefited from SSDI over its nearly 60 years of existence, many Americans are unfamiliar with how the program works and who benefits. This report lays out the basic facts about SSDI and its importance for working families.

- **Workers Earn Insurance Coverage by Working and Paying into Social Security.** Today more than 150 million Americans are covered by the SSDI program in the event of a disability that prevents work. Current SSDI beneficiaries worked and paid into Social Security for an average of 22 years before becoming eligible for SSDI.
- **Disability Insurance Protects the Middle Class.** Most individuals receiving SSDI earned middle-class wages before becoming disabled. In the highest-earning five years prior to qualifying for SSDI, worker-beneficiaries earned \$42,000 per year, on average.
- **Beneficiaries Face Serious Disabilities.** SSDI's worker-beneficiaries face serious, and in many cases life-threatening, disabilities that prevent or limit substantial employment. About one-in-five men and one-in-six women on SSDI die within five years of becoming eligible for the program.
- **Disability Benefits are Modest.** SSDI is a major source of income for recipients, helping families make ends meet, but SSDI replaces only a fraction — about one-third — of beneficiaries' pre-disability earnings.
- **SSDI Helps Reduce Poverty.** Despite modest benefits, the SSDI program helps keep about 3 million Americans out of poverty, and reduces the depth of poverty for another 1.9 million Americans.

In 2016, SSDI beneficiaries could face a deep and abrupt 19 percent reduction in their disability insurance benefits if lawmakers fail to act to remedy a long-projected shortfall in the program's finances. The shortfall was caused by a long-foreseen increase in the number of beneficiaries as population growth, the aging of the population, and increases in women's labor force participation raised the number of workers who contribute to and qualify for the program. The Social Security Trust Fund overall currently has enough money to provide full benefits to both DI beneficiaries and retirees for almost the next two decades, but funding across the two programs is out of balance. The President has proposed a simple solution that policymakers have taken many times in the past on a bipartisan basis: rebalance the Social Security program in a way that ensures workers with disabilities, retirees, and survivors receive the full amount of earned and expected benefits while policymakers develop longer-term policies to strengthen the Social Security program as a whole.

Disability Insurance is a Lifeline for Workers and Families

Social Security Disability Insurance (SSDI) is a critical component of our nation’s Social Security system, which provides insurance to workers and their families in retirement and in the event of a serious, long-term disability that precludes the capacity to earn a living. Today, more than 150 million American workers are protected against a catastrophic loss of income due to disability through the insurance they earned with their Social Security taxes and work history.¹

SSDI Serves as a Lifeline for 11 Million Americans



Source: Social Security Administration (SSA), Dec. 2014

SSDI currently provides a vital lifeline to 9 million disabled worker-beneficiaries who find themselves unable to continue earning a living because of a severe disability, ensuring that they and their families can still pay their bills and put food on the table. As with Social Security retirement benefits, SSDI is available to Americans who have a significant work history and have paid a portion of their paychecks into the program. In total, 11 million Americans receive SSDI, including 9 million worker-beneficiaries and 2 million dependent children and spouses of worker-beneficiaries. About one million military veterans receive SSDI.²

SSDI provides critical protection to America’s hardworking middle class. Most SSDI worker-beneficiaries worked and paid into Social Security for decades before becoming disabled and receiving SSDI benefits – on average, beneficiaries worked for 22 years before receiving SSDI – and most SSDI worker-beneficiaries worked in middle-class jobs. The average SSDI recipient earned about \$42,000 per year (in 2014 wage levels) in their highest-earning five years prior to becoming disabled and qualifying for SSDI, similar to the national average wage.³ Though SSDI replaces only a modest portion of a worker’s lost earnings, these benefits stand between millions of families and severe financial hardship. For families receiving SSDI, Social Security Disability Insurance benefits constitute more than half of total family income.⁴

Over the past several decades, population growth, population aging, and increases in women’s labor force participation have contributed to the long-foreseen growth in the number of workers who receive SSDI. The number of workers covered by and eligible for SSDI increased as the baby boom generation entered their older working years – when disabilities are far more prevalent – and as more women entered the labor force and became insured against disability. The growth in SSDI has now slowed as baby boomers age into retirement.

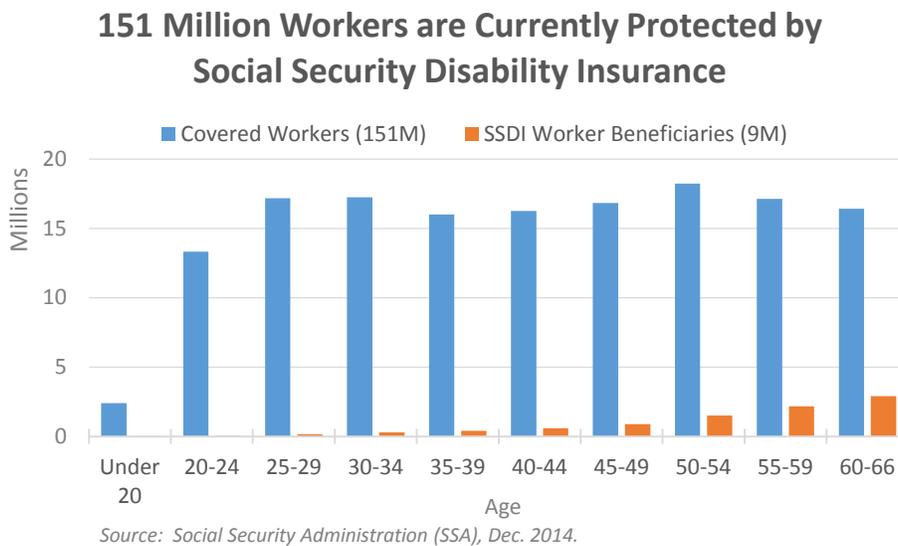
The Social Security Trustees project that in late 2016, SSDI will be unable to pay full benefits to workers as a result of a shortfall in the part of Social Security that finances SSDI.⁵ While the overall Social Security system has enough money to pay full disability and retirement benefits to all current beneficiaries, funding is not allocated between the two parts of the program based on need. Without action from Congress to address the SSDI shortfall, 11 million SSDI worker-beneficiaries and family members could face an abrupt 19 percent cut in monthly benefits in late 2016 – benefits that were earned during their working years through payroll contributions to Social Security.

Following the approach policymakers have taken many times in the past when one of the two trust funds were out of balance, the President has proposed a straightforward solution to rebalance tax rates between the Social Security trust funds to ensure that Social Security continues to provide full SSDI benefits. The Social Security program currently has sufficient funding to provide full benefits to retirees, workers with disabilities, and their families for almost the next two decades, if payroll tax rates are allocated between the two parts of Social Security based on funding needs, allowing policymakers time to develop long-term policies to strengthen the Social Security program as a whole.

SSDI Protects Millions of Middle-Class Workers

Social Security disability is an insurance program that workers pay for while they are working. When a worker can no longer maintain substantial employment due to a severe disability, SSDI replaces a portion of lost income.

To receive SSDI benefits, workers must have a significant and recent work history, in addition to a serious disability that prevents them from performing substantial work for a sustained period of time. To be insured under the SSDI program, workers must have generally worked at least one-fourth of the time since age 21 and at least five of the 10 years immediately prior to becoming disabled.



Who Receives Help From Social Security Disability?

The onset of a disabling impairment can occur unexpectedly because of an illness, serious accident, or a chronic condition. When this happens, a worker may need to leave the workforce to seek long-term medical care or may be unable to work due to the disability. For SSDI's 9 million worker-beneficiaries, Social Security helps them and their families avoid the severe financial hardship that can result from experiencing disability. These workers come from many occupations and suffer various impairments, but all face financial challenges that are alleviated by SSDI – including actual SSDI worker-beneficiaries Charlotte, Angela, and Carol.⁶

Charlotte spent years working three part-time jobs and paying Social Security payroll taxes. In 2007, Charlotte experienced a stroke. One of Charlotte's managers sent her straight to the emergency room, but the life-altering effects of the stroke were already taking shape. The next day, while in recovery, Charlotte experienced a second stroke, amplifying the effects on her mobility. Charlotte found herself in the hospital for a full week, and when she was discharged her mobility was restricted and she was unable to work at any of her three jobs. Today, SSDI helps Charlotte pay her bills, keep a roof over her head, and pay for her medication.

Angela worked as a full-time teacher until the debilitating symptoms of her multiple sclerosis became so severe she was unable to maintain the pace required by the position. Multiple sclerosis is a serious disease of the central nervous system that presents individuals with difficulty moving and speaking, as well as chronic pain. When faced with financial hardship due to her inability to work, Angela was approved for SSDI benefits based on medical evidence that confirmed she met the strict definition of disability. Missing the daily interactions with students, Angela sought out work in online education with a major online university. Today, Angela works when her conditions allow her to, and only receives SSDI benefits in months when she is unable to perform substantial work.

At the age of 43, **Carol** awoke in the hospital after being knocked off her bicycle by a motorist. Swelling in Carol's brain introduced a permanent impairment, and erased most of her pre-accident memories. She had to learn to walk, talk, and feed herself again. As Carol regained cognitive function she hoped to return to her previous profession as a highly specialized paper and book conservator. However, in addition to her memory difficulties, she suffered from dizziness, confusion, and exhaustion from what is expected to be a lifelong disability. SSDI helps Carol cope with her disability and focus on rehabilitation.

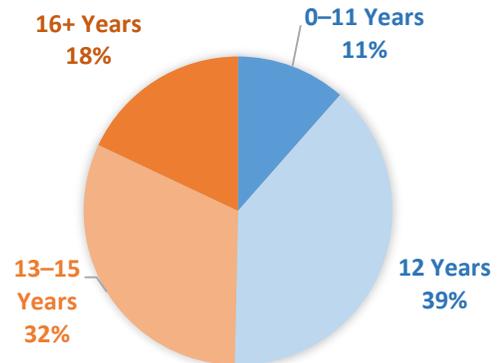
SSDI protects millions of middle-class workers and their families from severe financial hardship when a worker becomes disabled.

- Most SSDI worker beneficiaries worked most or all of their adult lives before becoming disabled. Three-quarters of SSDI worker-beneficiaries worked in 80 percent or more of the years since age 21, and more than half of SSDI worker-beneficiaries worked every year.⁷
- Most SSDI worker-beneficiaries paid into the program for decades. The average worker receiving SSDI benefits today supported the program with Social Security taxes for 22 years before receiving any benefits.⁸

- Most SSDI recipients earned middle-class wages before becoming disabled. At about \$42,000 per year, average pre-disability earnings for SSDI worker beneficiaries in their top-earning five years (in 2014 wage levels) are similar to the national average wage of about \$47,000 in 2014.⁹
- Half of SSDI beneficiaries attended college. Although workers with less education are somewhat more likely to receive SSDI – in part because they are more likely than other workers to experience health problems and more likely to work in physically demanding jobs¹⁰ – 90 percent of SSDI beneficiaries have at least 12 years of education, the equivalent of a high school diploma, and half of all SSDI beneficiaries were in school for more than 12 years, having attended some college.¹¹
- Disability insurance protects workers in all sectors of the economy. Serious illnesses and disabilities can affect workers in all industries and occupations. SSDI beneficiaries worked in all sectors of the American economy, with large shares coming from the service, manufacturing, and retail sectors. For example, 39 percent of male SSDI beneficiaries worked in the service sector and 23 percent worked in the manufacturing and construction sectors. Among women, 56 percent worked in the service sector, including 26 percent in the health, social services, and education sectors.

Half of SSDI Worker-Beneficiaries Attended Some College

Years of Education Among Beneficiaries



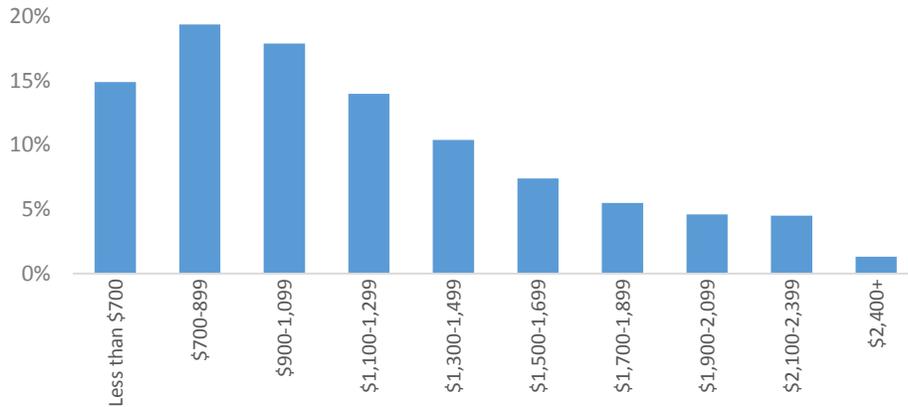
Source: Social Security Administration, administrative records matched to 2008 SIPP wave 15 (2013).

SSDI Benefits are Modest but Help Prevent Severe Financial Hardship

SSDI benefits replace only a fraction of beneficiaries' pre-disability earnings. But for millions of middle-class workers who become unable to work due to disability, SSDI helps prevent them and their families from suffering severe financial hardship. SSDI provides the primary source of income for most beneficiaries, though monthly benefits are modest and considerably less than what beneficiaries earned prior to becoming disabled.

In December 2014, the average benefit for a disabled worker was \$1,165 per month, just enough to lift a single person out of poverty.¹² But many beneficiaries receive smaller SSDI amounts: one-third of worker-beneficiaries received less than \$900 per month from SSDI.¹³ The average benefit for families with a disabled worker and one or more dependent children was about \$1,789 per month, slightly above the poverty line for a family of three.¹⁴

One-Third of Disabled Worker-Beneficiaries Receive Less than \$900 per Month



Source: Social Security Administration, Master Beneficiary Record, 100 percent data, Dec. 2014

The amount an individual receives from disability insurance falls well below workers’ pre-disability earnings. In their highest-earning five years prior to disability receipt, SSDI beneficiaries earned about \$42,000 on average, expressed in 2014 wage levels. SSDI benefits average \$13,980 per year, about one-third of the average beneficiary’s pre-disability wages.¹⁵

SSDI Provides About One-Third of Pre-Disability Wages, on Average



Source: Social Security Administration (SSA), see Appendix Tables 1 and 2. Benefit estimate annualized based on Dec. 2014 average.

While modest, these benefits make a meaningful difference for people with disabilities who are no longer able to work, helping them keep a roof over their head and food on the table. Overall, Social Security comprises more than half (58 percent) of SSDI beneficiaries’ family income; counting Supplemental Security Income (SSI), which is available to those who are disabled (or elderly) and very low-income, SSDI and SSI make up nearly two-thirds of family income for SSDI beneficiaries on average.¹⁶ Still, nearly half of SSDI families continue to rely on earnings for a portion of their family income, either from a working family member or from a beneficiary who is able to work some though

unable to earn a living due to their disability.¹⁷ Even after taking into account other income sources, SSDI households tend to be much lower-income than non-SSDI households.¹⁸

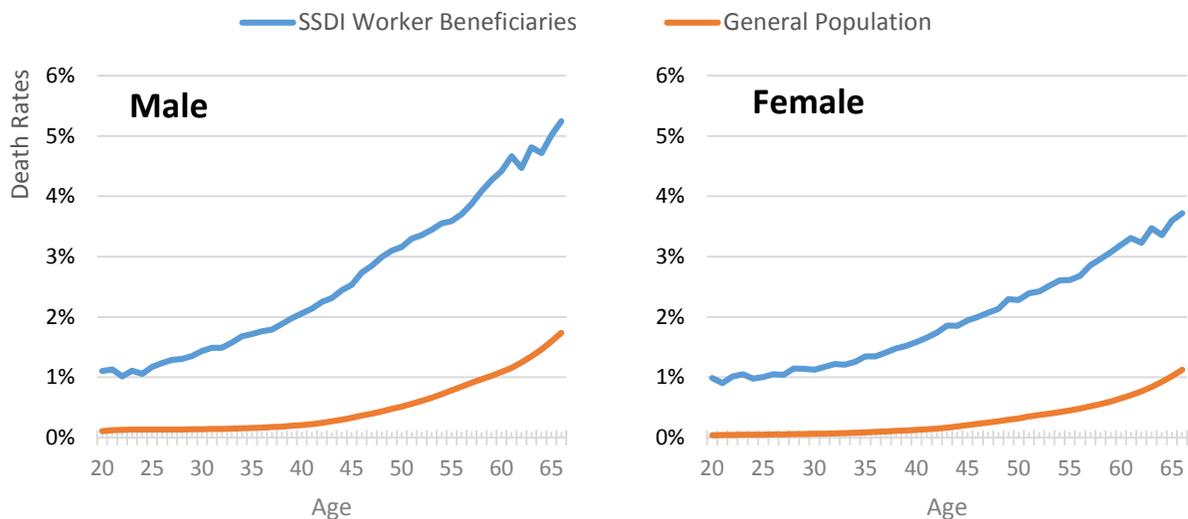
Without the modest benefits provided by the SSDI program, many families dealing with disability would face severe financial hardship. Each year, SSDI keeps 3.0 million people (31 percent of all SSDI beneficiaries) out of poverty and reduces the depth of poverty for 1.9 million people (20 percent of beneficiaries).¹⁹

SSDI Beneficiaries Have Serious Disabilities and Eligibility Criteria are Stringent

Social Security Disability Insurance helps support individuals who are no longer able to work due to a serious medical condition that precludes substantial work activity and that is expected to last at least a year or result in death. The majority of SSDI beneficiaries (62 percent) have multiple disabling conditions.²⁰

Because they face serious medical impairments, SSDI recipients are at higher risk of death than the general population, and some worker-beneficiaries have life-threatening conditions such as cancer or congestive heart failure. In fact, SSDI worker-beneficiaries are more than three times as likely to die in a year as people the same age in the general population.²¹ For many SSDI beneficiaries, life expectancies are short. One-in-five men and nearly one-in-six women who enter the SSDI program die within five years.²²

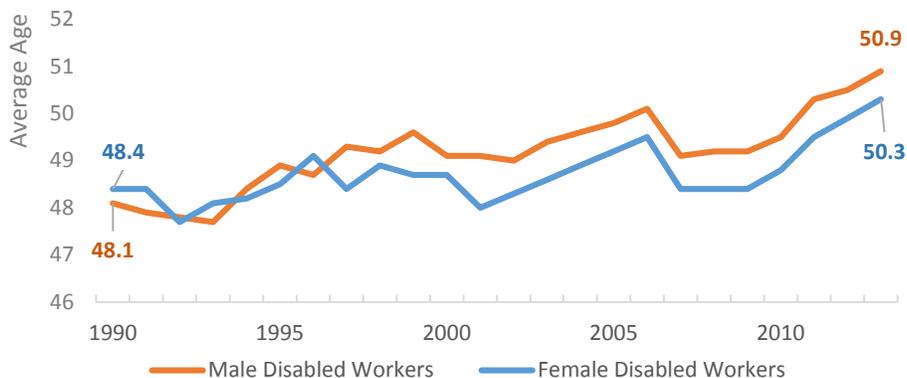
SSDI Beneficiaries Have Higher Death Rates Than the General U.S. Population



Source: Social Security Administration (SSA) and 2014 Trustees Report

SSDI worker beneficiaries also tend to be older than the general population because the risk of disability increases with age.²³ In fact, workers are twice as likely to receive SSDI at age 50 as at age 40, and twice as likely at age 60 as at age 50.²⁴ The average age of newly awarded SSDI beneficiaries has gradually increased over the past decade for both men and women, and in 2013 the average was 51 years of age.²⁵

Average Age of Initial Disability Benefit Receipt Has Increased Over the Last 25 Years

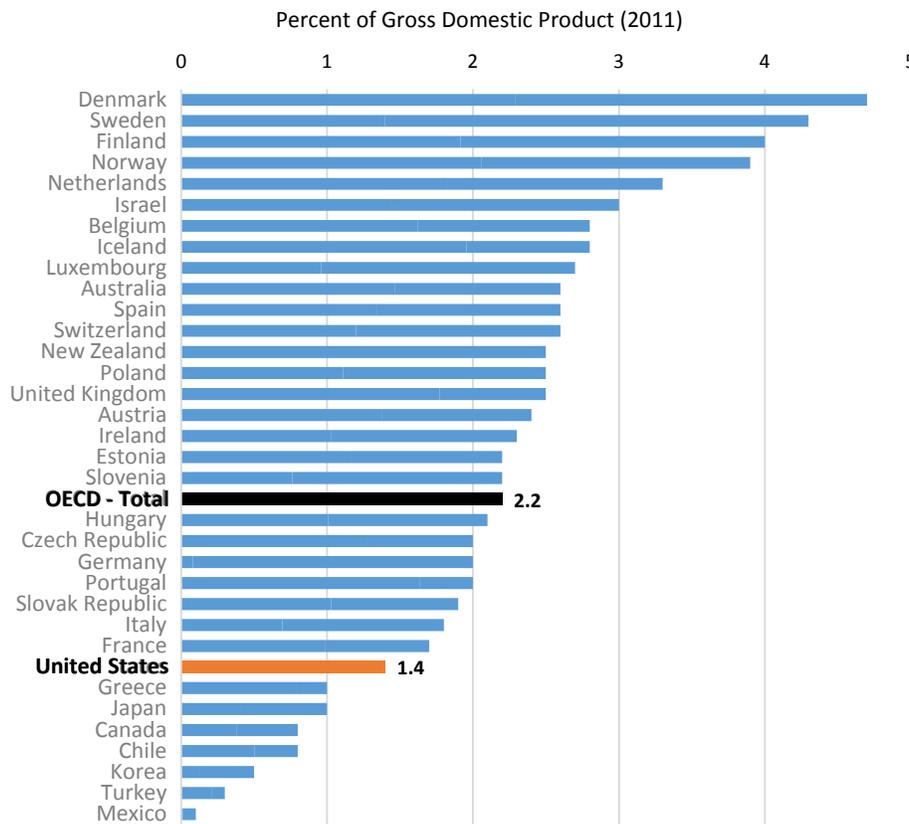


Source: Social Security Administration (SSA) 2013 Annual Statistical Report on SSDI, Table 39

The SSDI application process is rigorous and eligibility criteria are stringent. To qualify for SSDI, workers must have a severe and lasting medical condition that makes them unable to perform any job that exists in significant numbers in the national economy – not just their own prior job – given their age, education, and work experience. Overwhelmingly, increases in SSDI program participation are due to demographic changes that have resulted in more workers having the work history and severe disabilities required to qualify for SSDI. By contrast, fraudulent SSDI claims are rare. Based on the best available evidence, the SSDI program has less than one percent fraud.²⁶ The Social Security Administration (SSA) works aggressively to combat fraud, investigates alleged fraudulent activity, and maintains a high level of integrity for both accurate and timely payments in its programs.²⁷

The U.S. is among just a handful of countries – including Canada, Japan, and South Korea – that have what the OECD describes as “the most stringent eligibility criteria for a full disability benefit, including the most rigid reference to all jobs available in the labor market.”²⁸ With modest benefits and strict eligibility criteria, the U.S. spends considerably less on disability benefits as a share of the economy than most other developed nations.²⁹

U.S. Spending on Disability Programs as Percent of Total Economy is Low



Source: OECD Social Expenditure Aggregated Data. Data include disability pensions and other disability and incapacity benefits.

Changes in the SSDI Program Over Time

As the population and labor force have grown and aged, so too has the number of Americans who are covered by and receive disability insurance. The SSDI program has grown over the past 35 years, serving 11 million Americans today, versus 4.7 million Americans in 1980.³⁰ Most of this growth is due to well-documented demographic changes, including a growing and aging population and increases in women’s labor force participation. According to SSA’s Chief Actuary, “The increased cost of the DI program has been foreseen for decades, as it is largely the product of demographic changes that have been well known and understood.”³¹

The Social Security Trustees first projected SSDI’s 2016 shortfall back in 1995, one year after Congress last rebalanced the Social Security trust funds 21 years ago – evidence that the impact of these demographic shifts has been long foreseen.³² The growth trends are complex, but many agree that the main source of growth was from baby boomers coming onto the rolls as they reached their most disability-prone years.³³

SSDI Fraud is Rare and is Taken Very Seriously When It Does Occur

In FY 2014, SSA provided \$141 billion in disability insurance benefits to workers and their families. While SSA's goal is zero fraud, sometimes fraud can occur when individuals intentionally misrepresent their circumstances and earnings. SSA takes steps to identify fraudulent claims, recover fraudulent payments whenever possible, and seek legal recourse when fraud does occur. While fraud is extremely rare in SSDI, SSA is continually striving to improve payment accuracy for individuals who are eligible for benefits.³⁴

SSA trains all staff in anti-fraud practices, recognizing that the agency's front-line employees are the best line of defense against those who attempt to cheat the system. Recent cases of fraudulent claims in New York and Puerto Rico were first identified by SSA employees. In addition, SSA's Office of the Inspector General (OIG) coordinates Cooperative Disability Investigation (CDI) Units, which bring together personnel from SSA, state Disability Determination Services (DDS), and local law enforcement agencies to investigate and resolve suspected fraud before benefits are ever paid. SSA maintains an active fraud hotline and website so individuals who believe they have witnessed fraud can report the incident for further OIG investigation. SSA is also developing predictive models based on past fraud allegations to help identify potential fraudulent or suspicious behavior in the future.

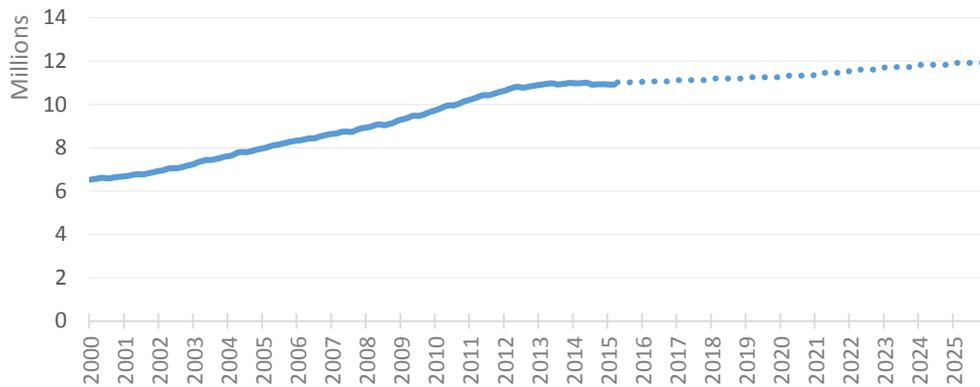
In addition to combatting rare cases of deliberate fraud, SSA also takes steps to ensure that program rules and eligibility standards are fully enforced. SSA conducts Continuing Disability Reviews (CDRs) related to both medical determinations and employment to ensure that only those who meet the eligibility criteria continue to receive SSDI. In FY 2014, SSA completed about 526,000 medical CDRs and has requested additional funding to increase the number of CDRs conducted. In addition, in March 2015, SSA published a final rule requiring SSDI applicants to disclose all medical evidence relevant to their case. This policy will help ensure SSA is able to render accurate disability decisions. The President's Budget includes full funding for SSA to conduct CDRs, which in 2016 will yield net Federal program savings over the next ten years of roughly \$9 per \$1 budgeted for dedicated program integrity funding.

Today's Disabled Workers are Tomorrow's Retirees

Just as the aging of the population will increase the number of people receiving Social Security retirement benefits, it has also contributed to growth in the SSDI program. As our workforce ages, the overall incidence of disability increases. And, because the Social Security retirement age has been gradually rising to reach 67 in 2027, older workers with disabilities remain SSDI beneficiaries longer before being converted to Social Security retirement benefits.

Importantly, the SSDI program confronted the aging of the population sooner than the Social Security retirement program. The first cohort of the baby boom generation reached full Social Security retirement age in 2012, but reached age 53 – the typical age at which beneficiaries begin receiving SSDI – back in 1999. As baby boomers are now converting from Social Security disability to retirement, growth in the SSDI program has slowed.

Growth in the Disability Insurance Rolls Has Slowed and is Projected to Remain Steady Over the Next Decade



Source: Social Security Administration (SSA) and FY 2016 President's Budget

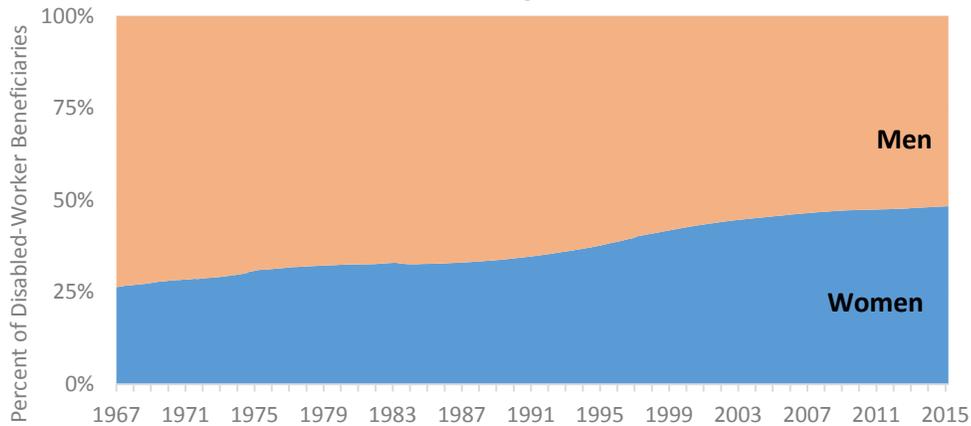
More Women are Working and Protected by SSDI

A significant part of the growth in SSDI is the result of more women entering the workforce – a positive trend that has played a substantial role in our economic growth. Between 1970 and 2013, labor force participation among women increased from 43 to 57 percent.³⁵ As more women work and pay into Social Security, more women achieve insured status and are protected if they become disabled.

The gains in women's labor force participation, as well as their increased educational attainment, have translated into large income gains for American families and the economy overall. Women's earnings have accounted for essentially all of the income gains for American families since 1970 because during the period of rapid wage gains for women, wage growth for men has been flat. For example, median family income grew by nearly \$11,000 between 1970 and 2013. If women today still had the same labor force participation and working hours as they did in 1970, median family income in 2013 would have been roughly \$9,000 lower.³⁶

As more women began working outside the home, they also began contributing Social Security taxes in greater numbers and became more likely to have the work history required to earn insured status under the SSDI program. Meanwhile, women's rate of SSDI receipt has risen modestly over time; this increase is often referred to as women's "catch-up" since now the prevalence of SSDI among insured workers is nearly equal between men and women. Twenty-five years ago, men receiving SSDI outnumbered women by nearly 2 to 1. Today the share of male and female SSDI worker-beneficiaries is nearly equal.³⁷

About the Same Number of Women and Men Now Collect Disability Insurance Benefits



Source: Social Security Administration (SSA)

A Path Forward to Protect Workers and Ensure SSDI Solvency

Workers and employers contribute to Social Security through a 12.4 percent payroll tax. Social Security payroll contributions are divided between two trust funds: the Old Age and Survivors Insurance (OASI) Trust Fund which pays Social Security retirement and survivors' benefits, and the SSDI Trust Fund that pays for SSDI.

The Social Security Trustees project that in 2016, the SSDI trust fund will no longer have enough money to pay full DI benefits on a timely basis to SSDI recipients who have earned these benefits. Without Congressional action, worker-beneficiaries and their families could face an immediate benefit cut of about 19 percent.

Over the years, the two Social Security trust funds have faced shortfalls that required a rebalancing to ensure that all Social Security retirees, workers with disabilities, and surviving spouses and children could continue to receive full scheduled benefits. Congress has addressed previous trust fund imbalances many times on a bipartisan basis by reapportioning Social Security tax rates between the retirement and disability trust funds. These adjustments have been in both directions, sometimes shifting more revenues to the retirement part of the program and other times shifting revenues toward SSDI.

The President's FY 2016 Budget proposes the same approach that Congress has taken historically to prevent deep and immediate cuts in disability benefits. The proposal will redirect a small share of Social Security payroll tax rates to rebalance the Social Security program. By rebalancing payroll tax rates within the Social Security system based on the funding needs of the disability and retirement parts of the program, Congress can prevent sharp and sudden benefit cuts while working to develop the long-term policy changes needed to strengthen the entire Social Security program. Combined, the trust funds have enough resources to pay full disability, retirement, and survivors benefits for almost the next two decades.

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Appendix

Table 1: Beneficiaries and Average SSDI Benefits by State, December 2014

State	Disabled Workers		Spouses		Children		Total
	Number	Average Monthly Amount	Number	Average Monthly Amount	Number	Average Monthly Amount	Number
U.S.	8,954,518	\$1,165	148,955	\$315	1,827,619	\$349	10,931,092
Alabama	236,857	\$1,146	3,922	\$313	50,971	\$345	291,750
Alaska	12,641	\$1,148	184	\$290	2,672	\$326	15,497
Arizona	156,217	\$1,208	2,478	\$320	30,635	\$353	189,330
Arkansas	140,453	\$1,110	2,276	\$274	32,078	\$321	174,807
California	709,509	\$1,197	12,586	\$337	128,447	\$381	850,542
Colorado	107,158	\$1,182	1,316	\$317	19,805	\$357	128,279
Connecticut	81,799	\$1,212	793	\$331	16,300	\$394	98,892
Delaware	27,404	\$1,238	261	\$311	4,936	\$379	32,601
District of Columbia	14,732	\$1,031	31	\$368	1,819	\$326	16,582
Florida	560,856	\$1,177	8,352	\$312	104,616	\$354	673,824
Georgia	285,394	\$1,169	4,397	\$286	60,189	\$346	349,980
Hawaii	23,174	\$1,193	431	\$301	4,519	\$357	28,124
Idaho	43,820	\$1,137	842	\$289	9,637	\$312	54,299
Illinois	289,730	\$1,188	4,508	\$321	58,084	\$356	352,322
Indiana	208,645	\$1,174	3,211	\$318	44,234	\$341	256,090
Iowa	78,016	\$1,109	925	\$277	14,733	\$325	93,674
Kansas	75,123	\$1,140	931	\$305	15,673	\$329	91,727
Kentucky	208,016	\$1,138	4,880	\$331	44,292	\$342	257,188
Louisiana	157,558	\$1,126	3,977	\$338	36,040	\$325	197,575
Maine	59,093	\$1,085	788	\$298	13,029	\$324	72,910
Maryland	130,696	\$1,205	1,021	\$344	23,842	\$383	155,559
Massachusetts	205,642	\$1,163	1,854	\$315	47,459	\$365	254,955
Michigan	353,522	\$1,215	6,337	\$328	76,889	\$348	436,748
Minnesota	127,364	\$1,157	1,273	\$293	26,424	\$333	155,061
Mississippi	132,596	\$1,113	2,346	\$284	30,143	\$329	165,085
Missouri	222,218	\$1,136	3,060	\$293	44,424	\$334	269,702
Montana	27,807	\$1,102	490	\$278	4,679	\$325	32,976
Nebraska	42,347	\$1,102	431	\$280	8,558	\$318	51,336
Nevada	64,243	\$1,228	801	\$334	11,400	\$366	76,444
New Hampshire	48,091	\$1,192	426	\$302	12,842	\$351	61,359
New Jersey	203,208	\$1,280	2,868	\$336	42,522	\$424	248,598
New Mexico	64,694	\$1,109	1,211	\$300	12,871	\$310	78,776
New York	516,900	\$1,200	8,251	\$330	110,100	\$375	635,251
North Carolina	332,173	\$1,165	4,527	\$287	63,821	\$356	400,521
North Dakota	14,048	\$1,080	167	\$271	2,522	\$312	16,737
Ohio	356,270	\$1,126	5,980	\$318	68,721	\$324	430,971
Oklahoma	127,712	\$1,122	2,264	\$301	26,198	\$318	156,174
Oregon	109,329	\$1,164	1,885	\$310	17,666	\$358	128,880
Pennsylvania	409,608	\$1,168	6,356	\$316	83,428	\$349	499,392
Rhode Island	37,422	\$1,135	272	\$276	7,853	\$344	45,547
South Carolina	179,872	\$1,183	2,653	\$296	35,070	\$363	217,595
South Dakota	19,250	\$1,082	187	\$234	3,777	\$307	23,214
Tennessee	252,231	\$1,137	4,255	\$288	50,138	\$337	306,624
Texas	574,012	\$1,144	12,073	\$313	129,711	\$327	715,796
Utah	47,947	\$1,162	796	\$323	11,627	\$330	60,370
Vermont	22,600	\$1,097	248	\$278	4,918	\$333	27,766
Virginia	212,945	\$1,173	3,297	\$328	42,994	\$362	259,236
Washington	179,192	\$1,180	2,526	\$328	31,948	\$357	213,666
West Virginia	93,837	\$1,182	3,355	\$381	18,177	\$351	115,369
Wisconsin	161,894	\$1,159	2,095	\$280	34,172	\$330	198,161
Wyoming	13,170	\$1,159	188	\$331	2,353	\$351	15,711

Sources: Social Security Administration (SSA), Master Beneficiary Record, 100 percent data; and U.S. Postal Service geographic data.

Table 2: Earnings in top 5 years* prior to disability receipt by State, 2014 wage levels**

	Mean			Median		
	All	Male	Female	All	Male	Female
U.S.	\$42,156	\$48,305	\$35,476	\$36,186	\$43,358	\$30,637
Alabama	\$39,535	\$46,437	\$32,464	\$33,896	\$41,880	\$28,041
Alaska	\$44,578	\$51,415	\$36,211	\$37,210	\$43,964	\$31,949
Arizona	\$45,268	\$50,948	\$39,126	\$39,530	\$46,197	\$34,431
Arkansas	\$37,822	\$44,055	\$31,076	\$33,251	\$40,228	\$27,587
California	\$46,526	\$51,304	\$41,033	\$40,099	\$45,669	\$35,197
Colorado	\$43,331	\$48,650	\$37,614	\$37,486	\$43,565	\$32,581
Connecticut	\$45,005	\$50,336	\$39,561	\$39,518	\$46,136	\$35,234
Delaware	\$45,218	\$51,462	\$39,066	\$39,750	\$47,192	\$34,380
District of Columbia	\$36,084	\$37,117	\$35,009	\$31,787	\$32,867	\$30,642
Florida	\$43,566	\$49,340	\$37,176	\$37,452	\$43,899	\$31,995
Georgia	\$41,220	\$47,002	\$35,321	\$36,248	\$42,882	\$31,068
Hawaii	\$45,023	\$49,557	\$38,858	\$39,694	\$44,473	\$34,598
Idaho	\$40,705	\$48,054	\$32,365	\$34,750	\$43,860	\$28,105
Illinois	\$43,437	\$50,311	\$36,139	\$37,737	\$46,258	\$31,852
Indiana	\$41,291	\$48,773	\$33,491	\$35,987	\$45,212	\$29,739
Iowa	\$37,690	\$43,463	\$31,402	\$33,365	\$40,947	\$28,116
Kansas	\$39,544	\$45,596	\$33,471	\$34,558	\$41,856	\$29,453
Kentucky	\$40,375	\$47,975	\$30,999	\$34,086	\$43,091	\$27,085
Louisiana	\$40,841	\$48,564	\$30,662	\$33,701	\$43,444	\$25,407
Maine	\$36,916	\$42,473	\$30,373	\$32,005	\$38,431	\$26,758
Maryland	\$43,614	\$47,809	\$39,425	\$38,211	\$42,981	\$34,634
Massachusetts	\$41,890	\$47,349	\$36,240	\$36,311	\$42,317	\$32,069
Michigan	\$45,472	\$53,187	\$37,310	\$38,938	\$49,083	\$31,812
Minnesota	\$40,259	\$45,806	\$34,380	\$35,443	\$42,116	\$30,795
Mississippi	\$37,868	\$44,229	\$31,079	\$32,744	\$40,146	\$27,138
Missouri	\$39,700	\$46,222	\$32,707	\$34,060	\$41,589	\$28,518
Montana	\$39,576	\$46,717	\$31,102	\$33,339	\$42,348	\$26,675
Nebraska	\$37,202	\$42,904	\$31,629	\$32,787	\$39,602	\$28,052
Nevada	\$47,252	\$53,941	\$39,945	\$41,261	\$49,091	\$35,479
New Hampshire	\$42,039	\$48,764	\$35,646	\$37,190	\$44,970	\$32,027
New Jersey	\$49,578	\$56,529	\$42,597	\$43,086	\$51,826	\$37,152
New Mexico	\$39,376	\$44,492	\$33,229	\$33,608	\$39,275	\$28,088
New York	\$45,695	\$52,187	\$38,758	\$38,693	\$45,907	\$33,281
North Carolina	\$40,585	\$45,999	\$35,187	\$36,042	\$42,027	\$31,585
North Dakota	\$35,892	\$42,148	\$28,684	\$30,389	\$37,992	\$25,379
Ohio	\$39,772	\$46,369	\$32,363	\$33,943	\$41,999	\$28,138
Oklahoma	\$39,909	\$46,697	\$32,654	\$34,691	\$42,928	\$28,295
Oregon	\$42,777	\$48,978	\$35,598	\$37,273	\$45,132	\$31,055
Pennsylvania	\$41,686	\$48,086	\$34,824	\$36,335	\$44,294	\$30,555
Puerto Rico	\$33,952	\$37,013	\$30,027	\$28,320	\$30,949	\$25,901
Rhode Island	\$40,357	\$46,167	\$34,448	\$35,077	\$42,337	\$30,370
South Carolina	\$41,564	\$47,782	\$35,248	\$37,055	\$44,013	\$31,752
South Dakota	\$36,588	\$42,201	\$30,430	\$31,628	\$38,626	\$26,869
Tennessee	\$39,416	\$45,559	\$33,058	\$34,474	\$41,256	\$29,257
Texas	\$41,140	\$47,464	\$34,205	\$35,145	\$42,289	\$29,134
Utah	\$41,710	\$49,419	\$33,542	\$35,617	\$45,225	\$29,550
Vermont	\$36,904	\$41,160	\$32,221	\$32,623	\$37,553	\$28,290
Virgin Islands	\$42,675	\$46,977	\$38,362	\$37,088	\$43,387	\$32,418
Virginia	\$41,381	\$47,411	\$35,163	\$35,909	\$42,718	\$30,664
Washington	\$43,406	\$49,394	\$36,828	\$37,454	\$44,629	\$31,904
West Virginia	\$43,629	\$52,249	\$30,645	\$36,069	\$46,937	\$26,120
Wisconsin	\$40,217	\$46,908	\$33,301	\$35,228	\$44,001	\$29,571
Wyoming	\$42,162	\$51,233	\$31,681	\$35,088	\$46,860	\$26,938

Source: Social Security Administration (SSA), 100 percent Disability Analysis File (DAF) 2013 and Master Earnings File (MEF) 2013. Note: Includes SSDI workers age 18 to full retirement age who were in current pay or suspense status due to work in December 2013. * The 5-year average includes years with zero earnings if there are less than 5 years with earnings. ** The projected national Average Wage Index (AWI) for 2014 is \$46,787.

MEMORANDUM

To: Social Security Advisory Board
Subject: SSA-2020: Vision and Strategy Summary Memo
Date: July 14, 2015

For more than a decade, SSA's Information Technology (IT) spending has ballooned, overall cost-efficiency has declined, and its ability to execute services has deteriorated. The document titled, *SSA-2020: Vision and Strategy* is a proposal of how SSA can deliver superior service at reduced costs.

The agency is an information enterprise that houses the personally identifiable information of billions of individuals. Technology and innovation are critical to SSA's success; however, maintaining SSA's operating systems is getting more expensive and, with the increasing workloads, accomplishing SSA's mission is becoming progressively more difficult and costly. SSA's current approach to modernization will not yield the services that Americans expect and given the austere budget environment, its long-range plan lacks a sound budget strategy.

SSA's message to its customers and to the public is that they are an extremely large, complex enterprise that deals with massive amounts of data and are able to deliver their services very cost-effectively. Initially, Mr. Feig agreed with this assessment, but daily observations contradicted this claim. After further investigations, Mr. Feig concluded that SSA's modernization and innovation initiatives did not enhance their ability to accomplish their mission; in fact, SSA's legacy systems not only constrained the ability to innovate, their outdated technology has been generating negative results.

The amount of data needed to deliver SSA's required services is not massive in today's IT environment. Mr. Feig explains that the agency cannot keep upgrading an old system, but must build a modern infrastructure. Entrepreneurship in government is required, as innovation is not enough to deal with the current problems. In his vision document, Mr. Feig lays out a strategic plan that will allow the agency to perform its duties to the fullest.

Operational Vision

Mr. Feig envisioned SSA technicians being more efficient by having better support from IT tools. He describes a rules-engine based application that is much like modern tax-preparation software applications. This system is easy to learn, checks for errors, guides the user on how to make corrections, ensures that data needed to make determinations is present, and computes accurate payment amounts. Data analysis for the agency will become simpler, which would

change how SSA trains field office employees and would render the concern for the loss of institutional knowledge a non-issue.

Information Technology Landscape

Mr. Feig illustrates that in today's IT environment, storage requirements are not massive. SSA is investing \$500 million for a new data center and could spend close to \$750 million to finish the project, only to be burdened with massive maintenance costs. The data center is a clone of the current environment, but with modern equipment. As a clone, it completely misses the reality of IT evolution, which means that in five years, the same amount of processing, storage, and communications power would require less than one-fifth of the space. Mr. Feig explains how much data is needed to run the agency's systems for at least the next decade and the efficiencies of using tools such as a Customer Relationship Management (CRM) system.

Are we really modernizing IT?

During the 1990s, SSA's total IT spending was relatively constant. Subsequently, in the following decade, IT spending increased nearly 2.5 times the amount in 1999. Rising IT costs is not a negative if the quality of service improves. However, there is no evidence that service is improving due to IT investments, but there are known areas where customer satisfaction is declining. Mr. Feig argues that the real reason for the loss of efficiency is that the current strategy for modernization has reached a point in which the more the agency invests in outdated IT, the less efficient the agency becomes.

A Critique of Our Current Approach to Enterprise Architecture (EA)

SSA's current architecture does not reflect modern or future IT capabilities. Their current strategy aims to reach its target EA within a specified timeline, but without addressing budgetary constraints. Mr. Feig's approach to modernization aims to establish an IT Lifecycle Framework that provides over-arching guidelines for defining SSA's baseline and target architectures.

Mr. Feig believes these are the reasons why the agency has not invested in modern alternative architectures:

- The agency is comfortable with what it has and is "scared" to make any dramatic changes, which in the past, dramatic changes have failed or turned out to be costly.
- The industry educates on EA in a way that maximizes their profits, but does not introduce a truly new architecture.
- The IT industry is advocating the notion of application and integration as key matters in the creation of new architectures.
- The agency likes to view itself as a very large, complex enterprise, which is used to justify their request for larger budgets; when in reality, SSA is moderate when compared to other large enterprises.

- SSA believes it should leverage previous IT investments and not waste what has already been created.
- Lack of entrepreneurship in government.

Strategy for Modernization

Mr. Feig describes his approach to modernization at SSA as entrepreneurial. The plan is to design and build a modern system from the ground up, based on what SSA is required to do in the statutes and regulations. The design will start by taking an overarching view of the architecture before getting down to the details and while considering budgetary constraints. The design will be hierarchical, with a top level and several cascading lower levels. The end goal is to grow the new system and retire the old one.

Transition Strategy

The transition plan will be a series of evolutionary steps. Each step will advance the architecture while preserving the current architecture's ability to operate. Current data must be retained during the transition period. Applications would continue to operate on the old system until they are converted to the new architecture. Modern data integration tools will allow for dynamic transformations between a virtual database view and an underlying data storage. The end goal of this transition period is to retire the old data stores and use modern data integration tools. Mr. Feig's transition strategy is comprised of transition projects and will begin by analyzing SSA's business operations to understand its individual parts and their relationships.

SSA-2020: Vision and Strategy

By Ephraim Feig, Ph.D.

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Abstract

This paper does not address the issue of Social Security solvency. It deals with the operational aspects of the agency that administers Social Security services. For more than a decade now, the Social Security Administration's (SSA's) IT spending has ballooned while overall cost-efficiency has declined and its ability to execute its services has deteriorated. SSA's current approach to modernization will not yield the services that Americans expect and deserve, and will result in serious cost increases. There is a better way. This paper shows that we can deliver superior Social Security services at reduced costs.

1. Introduction

I joined the Social Security Administration (SSA) in March 22, 2010, as Associate Chief Information Officer of Vision and Strategy, a political appointee of the Obama Administration. Early on, I observed that none of SSA's long-range plans discussed issues of budgetary constraints. I found it peculiar, because I have never imagined planning in a budgetary vacuum. To me, this is not planning; this is wishful thinking. I found it especially troublesome because spending issues are nowadays at the forefront of most people's concerns regarding government. I quickly learned that lack of budget awareness in strategy is not just an SSA issue; it is endemic in the Federal government. Of the 126 federal agencies' High Priority Performance Goals for FY2011¹, only one relates directly to administrative costs; OPM's Teleworks goal strives to "reduce management costs"².

Another thing that struck me is SSA's marketing message to its customers, the US citizens, and more directly, to Congress, which represents them, and to the Executive Branch, which oversees the overall service delivery of government. Its message is that they are a hugely complex enterprise and that they deal with massive amounts of data, and yet they deliver their services very cost-effectively. Initially, I was indeed overwhelmed by the complexity and size of the enterprise. But what I was observing day to day all seemed to contradict the claims of efficiency. I decided to investigate these claims, and coming fresh from the private sector, I started looking at the money trail.

The Social Security Administration is an information enterprise, so it is not surprising that Information Technology (IT) plays a key role here. It is also not surprising that technology modernization and innovation are critical to its continued success. I asked the obvious question, how effective are SSA's

¹ <http://www.whitehouse.gov/sites/default/files/omb/performance/high-priority-performance-goals.pdf>

² Several DOD goals deal with acquisitions and contracts, but do not specifically call for reduction of overall costs.

modernization and innovation initiatives? What I learned, as I will show in Section 3, is that for more than a decade now, these initiatives have been generating negative results.

Next, I asked, what could be done about this? As I will show, continuing on the current path is not sustainable. We have to find another strategy. I propose that, instead of starting with what SSA is doing today, we look at what SSA is required to do, which is (1) to assign people numbers and gather information about them; (2) to decide whether to pay people based on the information gathered; (3) when we have to pay, to then compute how much to pay based on the information gathered; (4) to initiate timely and accurate payment transactions (by the Treasury); and (5) to communicate with people regarding current and future payments and matters that relate to these payments. That is essentially what SSA is required to do as an enterprise.

SSA does not sell products or services. It does not enter new markets or leave old ones, except as Congress dictates. It does not have to worry about competitors. In other words, SSA is not burdened by the major complex challenges of regular businesses. However, SSA does have to deal with very arcane processes that are the evolution of over 75 years of accumulated legal baggage. The rules regarding the decisions whether to pay and the amounts to pay, while indeed mind-boggling, are deterministic, and in a modern IT environment, should be handled much differently than they are today (think of TurboTax handling income tax rules). Bottom line, relative to most large businesses, SSA is not complex.

As for data size, as I will show later, the amount of data SSA needs to deliver its mandated services is not at all massive in today's IT landscape, and certainly not in the landscape we anticipate in the coming decade.

How can one explain the disparity between SSA's self-image and the realities that I have observed? It turns out that SSA's legacy systems constrain its ability to innovate its processes. As SSA has been upgrading and innovating for several decades, it got to a point (around 1999; see Figures 1 and 2) when, rather than making SSA more efficient, modernization began to have the opposite effect. This is analogous to maintaining a very old car for critical needs. The car has to function at some minimum level of reliability and we want the car to conform to modern driving and maintenance paradigms. At some point, the cost of maintaining the old car becomes prohibitive and it is time to buy a new car.

I should point out that the planned new data center will not alleviate this problem. On the contrary, it will increase SSA's IT costs and all the Agency will be doing is building a replica of the old car using modern parts.

So here we are, early on in the second decade of the second millennium. Maintaining and enhancing SSA's operations is getting more and more expensive. We are expecting a large growth in service demand because the baby-boomers are entering retirement age and as the population ages, the number of people claiming disability will grow. All this is happening right after our greatest economic downturn since the Great Depression, while unemployment is still intolerably high (this, too, leads to more disability claims), and SSA's funding is likely to face enormous pressures for quite a long time.

But, there is a way to turn things around at SSA. This document posits that innovation is not enough to deal with SSA's current problems. What it need is entrepreneurship and creative disruption. This happens in the private sector, but there are no incentives to make this happen in government. On the contrary, inertia works hard to quash creative disruption. But we must not allow SSA to continue upgrading the old car at the detriment of the public. It is time to get a new car.

Getting a new car will be quite a challenge. We will not find such a car ready-made; we will have to build it. More dauntingly, we will have to carefully move the driver and the passengers from the old car to the new one while driving, without slowing down.

In Section 2, I will describe my vision for the Agency in 2020. This vision is totally aligned with the one published in March, 2011, by the Social Security Advisory Board³. I will give my assessment of what is possible if we create a modern information infrastructure. Section 3 describes current IT landscape as it relates to SSA's needs, and what we can expect in the coming decade. My IT projections do not rely on any invention, are on the conservative side, and only assume a continuation of the IT performance gains that we have been seeing for the past several decades. Section 4 describes how SSA has been modernizing for the past few decades and highlights what I have asserted above, that beginning around 1999, SSA's IT efforts have been generating negative results. Section 5 critiques SSA's current approach. Section 6 presents my proposed approach to modernization. As part of the strategy, Section 7 describes how to transition from the old to the new while continuing to deliver required services. Section 8 gives concluding remarks. Finally, an appendix (prepared by my former staff of the now defunct Office of Vision and Strategy) lists desirable service features that will come out of the new SSA, but which would not be possible if SSA continues in its current trajectory.

2. Operational Vision

In 2020, I see SSA field office customer representatives (CRs) being considerably more efficient and less pressured than today, being better supported by information technology tools that guide them through their processes. They use information interface paradigms that are familiar. Their main workflow tool is the SSA CRM (Customer Relationship Management) system. Their home page provides a glimpse of what to expect immediately (the day they are working), what is pending and what are the due dates, and personalized performance outcomes (CRs will see how they are personally contributing to SSA's strategic goals). Data entry is fast; users enter data once, and the data is there anywhere you need it, for any application. Likewise, users make a change of the data in one place, and it is used in any other future application; older data is archived, not discarded. All data and rules are tagged with time intervals, so users can re-compute results as they would have happened at any time in the historical record of a customer (this will greatly enhance the quality of SSA's notices and the process to generate them).

³ http://www.ssab.gov/Publications/Miscellaneous/SSAB_Vision2011_FINAL.pdf

When a customer visits, the CR has a 360-degree view of the person, including what services are already availed to him; what were his most recent interactions with the Agency; what, and at what stage of the workflow, are his pending issues. If the customer wants to see retirement benefit scenarios, a convenient graphical user interface allows input of expected future earnings, if any, and then conveniently shows benefit amounts for various election months. Behind the scenes, a rules-engine based application is running, which leverages all relevant existing information, asks all and just appropriate questions, and then proceeds according to the answer it receives with further questions, until it has everything it needs to generate accurate benefit amounts. In almost all cases, the process is complete before the customer leaves the office. This rules-engine based application is reminiscent of modern tax-preparation software applications; it is easy to learn, it checks for errors and guides end-users as to how to correct them, it suggests alternatives when available, and it makes sure that applicants provide all the data needed to make determinations and compute correct payment amounts. This process will radically change how SSA educates its field workers. They will spend relatively little time formally learning the arcane rules for navigating screens and making determinations and computations and become productive much quicker. The process will alleviate the growing concern, that as SSA's older workers retire and new, young workers arrive, it is getting harder and harder to pass on its institutional knowledge. This process will also drastically reduce the workload now assigned to Processing Service Centers.

This same rules-engine based technology is used for online self-service claims applications. This will make the online claims applications simpler, enable online completion of many more applications, and eliminate the need for callbacks and other manual processing in almost all cases.

Accurate data will be available to those who need it, when they need it. There will be one single (virtual) data source. If the same data is needed for various different programs, they will all get it from this database of record. If Congress requests information that is not available in standard reports, SSA will have it for them most typically within hours (often, immediately), or in some cases, after over-night processing.

Data exchanges and analytics will become simpler to deploy and manage, and SSA will be able to run much more sophisticated algorithms. These will enable SSA to catch more anomalies and catch them faster. This will reduce improper payments. We will have more sophisticated tools to semi-automate (and in many cases, fully automate) review processes, again reducing improper payments and enhancing trust in our services.

Similarly, post-entitlement processing will be almost fully automated. This, too, will contribute to an enormous reduction of workload currently done at the Processing Service Centers.

Health IT will advance significantly. More of the health records data will be structured, and automated digital transmission of data together with decision support tools will accelerate the decision process. Determination decisions will become more consistent and integrity reviews will speed significantly. SSA

will have to rethink their reconsiderations processes in light of these new tools; it is hard to predict how they will decide on this issue when it comes up.

Application development will look nothing like it does today. SSA's 2011 Sitar (Strategic Information Technology Assessment and Review) process proposes allocating 2 years and over 170 people-years to modify a few iClaim forms. In our SSA-2020, many forms, whether for online self-service or for field office or telephone center use, are created via configuration, without any code customization at all. These can be done in hours or days, not months and years, with even greater assurances of security and conformity to governance rules. If new data-types must be introduced, then development will take somewhat longer, but still it would be orders of magnitude faster than today.

User interfaces will follow standard, accepted paradigms. The use of SMEs (subject matter experts) and usability testers will be very different from what it is today. For example, web-based self-service applications will start with existing templates and be created via configuration and perhaps some customization (if, say, new data fields have to be introduced), which, because of the new environment, will be much simpler. These could be deployed with limited exposure to study customer reaction, which may lead to some tweaking and further limited exposure. At some point, a decision can be made to completely release the application or simply withdraw it. The cost for creating the application will be so low and the development time so fast, that it will be quicker and cheaper to actually create it and test it than to internally discuss it, plan it, size it, and then decide whether to create it or not.

In my vision for SSA-2020, SSA's workforce is significantly reduced (via attrition, SSA does not have to replace all those who retire) and still performs more efficiently and under less pressure than its total workforce performs today. SSA has the technological and operational flexibility to close field offices and Processing Services Centers (political and union considerations will come into play, of course) and to hire external workers to perform mundane tasks. Total IT costs- hardware, software, contract labor costs and IT staff pay- shrink enormously and in the process, IT deployment becomes orders of magnitude more efficient. In order to understand what drives this optimistic vision, we have to consider capabilities of modern IT, as they relate to SSA's enterprise.

3. Information Technology Landscape

The purpose of this section is to demonstrate that, in today's IT environment, SSA's computational and storage requirements are not massive. This assertion becomes more dramatic when we consider where IT is going in the near future. SSA is about to embark on a \$500 million investment for a new data center, and this sum is only the beginning of the project. I have heard estimates of \$750 million to finish the project, and then the Agency will be further burdened with continuing massive maintenance costs. As I mentioned in the first section, this data center will be a clone of SSA's current environment, except that the equipment will all be modern. As a clone, it completely misses the reality of IT evolution, that in five years, the same amount of processing, storage and communications power will require less than one-fifth the space. Even more troubling, SSA's historical modernization initiatives have failed to

leverage the exponential growth of IT capabilities over the past several decades. After you read this section, you will have to wonder, is SSA really making good use of our hard-earned tax dollars?

To start with, let us consider the amount of data SSA actually needs to run its enterprise for at least the next decade. We consider two types of datasets- one comprises medical records that are needed for disability determinations, and the other comprises all the rest (personal information, including histories of interactions with the agency, addresses, wages and relationships, to name a few). For the latter, we need to store information on considerably fewer than 400 million people, and the typical size of a record per person is under 50KB. Even assuming an average of 250KB per person, this would translate to a total record size of 100TB of data, which today is not large. Today, one can buy (Western Digital, Hitachi, Samsung or Seagate; at Newegg.com) a 2TB desktop hard-drive for less than \$80; in five years, the same amount of money will buy at least 10TB. In other words, in five years, consumer grade storage for 100TB of data will cost under \$800.

Of course, enterprise grade storage is not at all the same as consumer grade storage. To the hardware costs of enterprise grade storage one must add costs of housing, connectivity, redundancy, energy and support services. Google charges \$25,600 a year to store 100 TB of data⁴. Amazon S3 Cloud is indeed an enterprise grade service, and for the types of loads on core data that we expect at SSA, charges would be under \$12,000 a month⁵. The model here (not necessarily how I would design things, but for argument sake; cost tradeoffs depend on where the database and application servers reside) is that 100TB is stored, and 200,000 complete personal records, averaging at most 250KB each, are transferred in and out every day). Also, overall storage service prices will not go down as fast as hardware prices. But it is safe to assume that in five years, enterprise cloud storage fees for SSA's core data requirements will be under \$100,000 a year.

As for medical data, currently the average record size is about 1.5MB. SSA's very few largest records (from the VA) are 375MB. We can estimate that for the coming decade, SSA would need at most an average of 50MB (more likely, around 10MB, which translates to about 200 pages of tif images) per each of at most 100 million (more likely, around 60 million) disability claims related people. This translates to at most 5PB (more likely, around 600TB) of data. Access to this data is not required in even near real-time, which means that a medical records system for SSA can comprise of mostly low-cost storage devices with some enterprise grade high access rate components. As a baseline, we note that in five years, consumer grade storage (just the hard drives) for 600TB of data will cost under \$4,800.

Next, let us consider workload support. In the field structure, SSA currently has fewer than 19,000 customer representatives, 10,000 service representatives, 4,000 field office management and supervisory staff, and 10,000 program service center employees. If all of them, simultaneously, use a Customer Relationship Management (CRM) system to manage their task assignments and maintain and access a 360-degree view of our customers, we would require the ability to handle under 54,000

⁴ <https://www.google.com/accounts/purchasestorage>

⁵ <http://aws.amazon.com/s3/pricing/>

concurrent CRM users. SugarCRM reports⁶ that “a single high power server with eight 86x64 CPU cores, 16GB of RAM and enterprise storage, running the entire application stack (SugarCRM application, PHP, web server and database server) can support up to 400 of concurrent Sugar users. One such server, Dell’s PowerEdge R715 Rack Server, loaded with SUSE Linux, currently costs about \$8,000. Microsoft reported⁷ already back in 2008, running 500 concurrent users of Microsoft Dynamic CRM. They use one HP Proliant DL 585 (4 cores) database server, one HP Proliant BL 25 (2 cores) application server, and one HP Proliant DL 325 (2 cores) load generation server. Equivalent servers today cost under \$15,000. This implies that in five years, when servers are at least five times more powerful, the server cost for supporting 500 concurrent CRM users will be under \$3,000, which in turn implies that standard enterprise-grade rack mounted servers, costing around \$325,000, will be needed to support 54,000 concurrent CRM users. Of course, the actual number of concurrent CRM users will be considerably smaller; far from all CRM users use the system simultaneously. The above analysis provides a crude cost estimate, and is intended only to demonstrate that SSA’s hardware requirements for CRM are orders of magnitude less than the types of systems they deploy today.

SSA is currently processing about 30,000 claims applications a day. Let us assume that we have to process 100,000 such claims a day; assuming a 10-hour day, this translates to an average of 167 claims a minute. So let us put our peak requirement at 500 claims a minute. Let us also, pessimistically assume that each claim requires 100 invocations of a rules engine; this would translate to 50,000 rules engine calls a minute, or 833 calls per second.

A 2005 benchmark study⁸ found ILog Rules Engine running on a dual-core Xeon machine with hyper-threading, 2 GB RAM, JBOS 4.0.1, Linux configuration, doing over 100 transactions per second, invoking a rule set containing 10,000 simple rules. If we allow a factor of 100 to compensate for our potentially more complex rules (again, I am being overly pessimistic), this simple 2005 configuration will handle 1 invocation of the rules engine per second, or a requirement of 833 2005-class commodity servers to meet our requirements. In five years (eleven years after 2005, the year of the study), we expect our requirements to be met with fewer than 40 enterprise-grade rack-mounted servers. Here, again, I am simplistic about the actual architectural configuration, because my point is that the IT costs for implementing a rules-engine based system to handle SSA’s arcane decision processes will be orders of magnitude less than what SSA pays today (and will pay even more in the future) to handle such decisions, while providing much better services to the citizens.

As for Health IT, SSA does not need real-time or near real-time performance. SSA is not handling emergency room medical procedures. SSA can schedule medical data delivery well in advance of its use for disability determinations and reconsiderations. During the coming decade, SSA will process, annually, fewer than 5 million disability claims; this translates to an average of fewer than 20,000 claims per workday. Assuming, pessimistically, that each claim translates to 10 transfers of electronic health records and that all transfers are done within a 10-hour window during the day, we will be expecting no more than 20,000 transfers per hour, or fewer than 6 non-real-time transfers per second. In five years, this will not be a processing or bandwidth challenge, even if average file sizes are 25MB.

4. Is SSA really modernizing IT?

⁶ http://media.sugarcrm.com/datasheets/SugarCRM_Sizing_Guidelines.pdf

⁷ <http://www.microsoft.com/download/en/details.aspx?displaylang=en&id=20122>

⁸ http://logic.stanford.edu/POEM/externalpapers/iRules/irules_cap_wp.pdf

SSA claim to be continually modernizing its IT environment. They are certainly augmenting to it and making changes; but are they actually modernizing?

SSA is in the midst of a huge database migration initiative, involving first moving its old MADAM database to a flat file inside DB2. Once this is done, they plan to convert this flat file to a relational database schema in DB2. The current first phase of the program is now in its sixth year; SSA would like to finish the entire migration within a years. During the past decade, SSA has enabled online interactions with its constituents, and is continually upgrading its online capabilities. It has been either retiring or converting some of its mainframe assembly code, and it continually migrates various parts of its COBOL software to modern languages, most typically Java. There is no plan to eliminate very old COBOL applications that form the core of its arcane decisions and computations. A good critique of the Agency's IT modernization initiatives can be found in a 2009 report by The Computer and Communications Industry Association.⁹

The goal of modernization is to get more bang for the buck; that is, to be able to provide more and better services for relatively less money spent. So, how well is SSA doing?

First, let us look at SSA's total IT spending (including contractors and salaries) for the past two decades. Figure 1 below gives values for the past two decades. During the decade of the 1990's SSA's total IT spending was relatively constant, around \$600 million (inflation adjusted 2010 dollars). However, something happened in year 2000, and during the next decade, SSA's IT spending has ballooned to nearly 2.5 times the amount that it was in 1999. Rising costs in IT are not necessarily a bad thing, if in turn, the costs of delivering services goes down or the quality of services gets better, or ideally, both happen simultaneously.

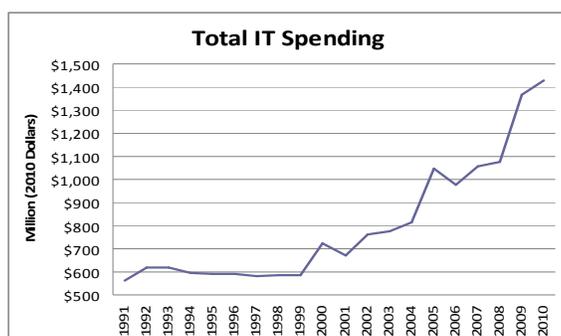


Figure 1: Two Decades of IT Spending at SSA

⁹<http://www.ccianet.org/CCIA/files/ccLibraryFiles/File/00000000296/CCIA%20SSA%20Citizen%20Data%20aper%20Nov%205%202009.pdf>

There is no evidence that the quality of SSA's services is significantly improving because of IT investments in the past decade; there are areas where we know that customer satisfaction is actually down (customer satisfaction with our 800-number phone service dropped significantly). For a while, SSA has been reducing its disability determination backlog and speeding up the average time to decision, but this has been achieved primarily by adding staff and changing policy. Reducing the backlog is a high priority performance goal for the agency; it is the first strategic goal listed in its latest Agency Strategic Plan (ASP)¹⁰. Unfortunately, even here the Agency has begun to slip.

A June, 2011, TRAC (Transactional Records Access Clearinghouse, Syracuse University) report¹¹ tells the story. In May, 2007, Commissioner Astrue testified to Congress about a plan to eliminate the backlog of hearing requests by 2012 and to eliminate its recurrence. In March, 2011, the Commissioner again testified to Congress, saying, "We reversed many negative trends, most notably with the hearings backlog..." But the study found that "the overall number of individual claimants awaiting a hearing has not in fact gone down but up, climbing to 728,012, higher than it was when the SSA launched its expensive rehabilitation plan four and a half years ago." The Washington Post reported¹² that the Commissioner called the report "research fraud," suggesting that TRAC used a bad definition for backlog. TRAC, of course, used the same definition for the term that SSA has been using for years.

One way of trying to assess SSA's efficiency, at a very high level, is to look at the amount of dollars per "customer" that SSA spends on administering its various programs. This ratio really cannot be used as an absolute measure because we cannot realistically assign dollar values to social outcomes (people have indeed tried; I do not have to do it for the points I am making here). What we can do is look at such ratios historically and see how well SSA does year after year. We can say that SSA's investments are paying off if the cost per customer goes down some time after it makes these investments (remember, service quality has not really gone up).

We can actually estimate annual administrative costs for SSA's key service areas- OASI (Old Age and Survivors Insurance), DI (Disability Insurance), SSI and Medicare Part D. Here, let us restrict ourselves to OASDI, which comprises OASI and DI. These are paid primarily from the OASI and DI Trust Funds, respectively; sometimes, Congress allocates extra funding for these programs. Every year, SSA takes out some amounts from these funds to support these programs, and they make adjustments the following year for under-funding or over-funding from the two funds into the appropriate programs. SSA reports annually on these amounts, and historical figures can be found on their website.¹³ As mentioned above, these figures do not include special funding SSA received in support of its OASDI programs, like the over \$1 Billion via ARRA¹⁴, the American Recovery and Reinvestment Act of 2009. Likewise, a historical

¹⁰ <http://www.ssa.gov/asp/SumGoalsObj.pdf>

¹¹ <http://trac.syr.edu/tracreports/ssa/253/>

¹² http://www.washingtonpost.com/politics/progress-on-disability-benefit-backlog-disputed/2011/06/17/AGdS6wbH_story.html

¹³ <http://www.ssa.gov/OACT/STATS/admin.html>

¹⁴ http://www.ssa.gov/oig/communications/testimony_speeches/04282009testimony.htm

account of the number of OASDI beneficiaries can also be found on the SSA website¹⁵. We can then use these figures to estimate the annual fund allocation amount per beneficiary for these two programs. If we do that, the graph will be jagged, because of the adjustments that I have described above. Taking 4-year trailing averages (the sum of OASDI admin amounts for four consecutive years divided by the sum of beneficiaries serviced in each of these years) gives a good estimate of the actual admin cost per beneficiary for each of these two programs. The graph of this is given in Figure 2.

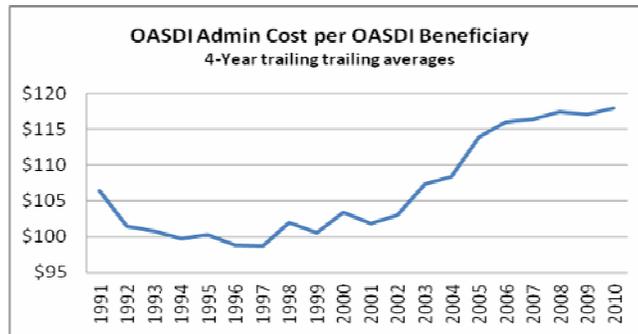


Figure 2: Estimate of OASDI Admin Cost per OASDI Beneficiary

As we can see, until 1997, the graph looks good; SSA was getting more efficient. However, from 1998 onward, efficiencies started to deteriorate. Some of this efficiency loss is due to rents, wages and security costs (especially after 9/11) going up faster than CPI. A major cause for this upward trend is that the ratio of DI beneficiaries to OASI beneficiaries has been increasing rather significantly during the past decade, and DI costs per DI beneficiary are much greater than OASI costs per OASI beneficiary. In 1999, 14.6% of all OASDI beneficiaries were DI beneficiaries; by 2010, the number was 18.9%. But are these reasons enough to explain the inefficiencies highlighted in Figure 2?

Let us first address the effects of the rise in the DI to OASI ratio by doing the following thought experiment. Suppose that at the end of 1999, SSA had decided to stop all IT modernization and just continued as it was for the next 11 years. Let us further suppose that the average OASI cost per beneficiary for these 11 years was equal to the average OASI cost per OASI beneficiary of the previous decade (\$72.82, a rather low-key assumption, as though SSA has not learned to do any better than just average), and similarly that the average DI cost per DI beneficiary for these 11 years was equal to the average DI cost per DI beneficiary of the previous decade (\$281.56). Extrapolating to actual number of OASDI beneficiaries that SSA serviced during the past decade, the agency would have delivered OASDI services to these same beneficiaries for close to \$3 Billion less than what it had actually spent.

The argument above showed that while the rise in DI to OASI ratio contributed significantly to the performance loss highlighted in Figure 2, there still remain a near \$3 Billion loss to explain. The added costs due to the fact that federal employee wages increased faster than CPI and that rents and security

¹⁵ <http://www.ssa.gov/OACT/STATS/OASDIbenies.html>

costs increased significantly will contribute perhaps another \$1 Billion to the deficiency (amortizing these costs among SSA’s other programs, SSI and Medicare, suggests a lower sum). In other words, the typical prime suspects do not, by themselves, explain the inefficiencies of Figure 2.

The real reason for the loss of efficiency is that with its current strategy for IT modernization, SSA has gotten to the point where the more it invests in IT improvements the less efficient it becomes. In the past eleven years, SSA spent on IT a total of \$4.1 Billion above the baseline (the average IT spending during the 1990’s), but it has gotten a lot less than that in return.

We see this degradation of capability in so many concrete ways every single day. We see it in the length of time SSA requires for software development; for example, SSA is currently estimating at least two years and over 170 people-years to modify several I-Claims forms by adding a few fields. We see it in SSA’s failover capabilities and plans; the Agency claims that its current disaster recovery time is five days and it plans to bring that down to one day sometime next year (let’s check on this next year). Modern mission critical environments have failovers that enable recovery in seconds. We see this in the continually growing costs for just keeping SSA’s current systems running. Figure 3, created by SSA’s Office of Strategic Investments with input from its Office of Systems and Office of Budget and Finance Management, shows expected costs of “keeping the lights on” for the coming decade if SSA continues doing IT the way it is doing it now.

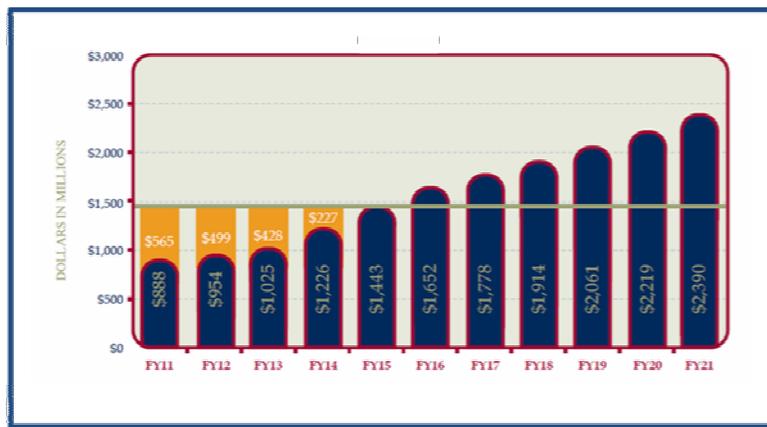


Figure 3: Expected IT Costs of “Keeping the Lights On”

The blue rounded-top columns represent expected IT costs just to keep SSA IT systems running. These costs are based on planned IT activity in support of SSA’s current and expected environment (for example, added costs in maintaining its intended new computing center. The actual costs of building the computing center are not included because SSA gets special funding for this). The green line cutting across the chart delineates SSA’s FY11 total IT budget, \$1.453 million. The yellow segments of the columns in years FY11 to FY14 represent the amount of money that will be available for IT innovation if SSA keeps its IT spending constant throughout the decade. As the chart shows, beginning FY15, not only

does SSA not have any more money for IT innovation, it has to continually increase its IT budget just to keep things running.

Typically, organizational business requirements should drive technology. With information enterprises, since information and technology are so intertwined, we may even accept that business and operational requirements be symbiotically and concurrently driven. But in SSA's current environment, technology drives its business. SSA's Policy executives have told me that there are some policy changes they would recommend to implement in order to significantly simplify overly complex processes, but they are constrained from doing so because SSA's Systems folks tell them that to do so would require such enormous technology resources and time that the costs would be prohibitive.

Perhaps SSA can achieve its goals (listed in their ASP; see reference 5, above) by continuing along its current trajectory, but at ever-increasing costs and ever-decreasing efficiencies and longer times to deliver results. SSA would certainly not be able to achieve the vision of Section 2 in this manner. Continuing doing business as usual, under such circumstances, is not an acceptable strategy at any time, but it is more egregious during a period of enormous budget constraints and increasing workloads and customer expectations for better (Internet age) services.

5. A Critique of SSA's Current Approach to Enterprise Architecture

SSA's approach to modernization is described in its document "SSA Enterprise Architecture Transition Strategy for 2011 through 2016"; last version I have seen was dated November 17, 2010. It establishes an "IT Lifecycle Framework that provides the over-arching guidelines for defining SSA's baseline and target architectures." Then, following standard Enterprise Architecture (EA) paradigms, it "clearly links SSA's investments to the target architecture and describes SSA's plan to achieve its target 'to-be' EA within a specified timeframe, given the baseline."

The document states, "Baseline and target EAs are currently defined in SSA's EA Repository at a sufficient level of detail and completion to serve as a basis for the Transition Strategy." SSA's current target EA is indeed a very detailed collection of desired upgrades, but without a truly over-arching architecture design (except as an extension of the current design). There is no analysis to demonstrate that, supposing SSA succeeds with every step on its plan, the resulting environment will be more efficient and yield desired outcomes. In fact, as I mentioned in the previous section, an internal SSA analysis showed that costs for "keeping the lights on" would continue to increase, and at a rather dramatic pace. Yet the Agency is looking to this EA to provide IT modernization guidelines. When we consider the costs and benefits of SSA's architecture as delineated in Section 4 in light of the IT landscape described in Section 3, it becomes clear that SSA's current to-be architecture is inappropriate. The current architecture does not reflect modern IT capabilities, and certainly not the capabilities we anticipate of IT in the coming decade.

There are numerous reasons why SSA has not investigated truly modern alternative architectures. The first is that it is comfortable with what it has and scared of changing. There is good reason to be scared of big changes; historically, most have either failed or turned out to cost a lot more than originally anticipated. We will address the failure and cost overrun issues in the next two sections. Sure, there is a risk. But we have to compare this risk to the alternative- staying the course. The alternative is predictable, as can be gleaned from Figures 2 and 3: continued degradation of efficiency and increased cost pressures, which I claim is unacceptable. I do not find it acceptable for SSA to continually run to Congress and tell them that if they do not get funding increases then services will degrade. I am of the belief that we can actually deliver better services at significantly lower costs. We strive to do this every day in the private sector; we have to learn to strive to do this in government.

A second reason is that SSA's vendors, and indeed the industry at large, educate customers regarding EA in a way that does not threaten their profits. This should not be surprising; companies exist to make profits. The standard EA approach is to describe in detail the as-is architecture and then to apply various techniques of manipulating this starting point to ultimately find alternatives that are more efficient. These techniques typically find redundancies and figure out how to eliminate them. They may also find different way to granularize code modules so that re-use becomes more efficient. And they may find subsystems in the overall architecture that can be replaced with more efficient ones. But they will never find a truly new architecture, because they derive their to-be architectures from the as-is ones.

A Gartner report¹⁶ from January, 2011, entitled "Enterprise Architecture Program Pitfalls: Don't Start with the Current State" warns against such an approach. It concludes, "Creating an inventory of the current-state EA is a low-business-value activity. The business value of EA is based on the insights into how the organization must change. Organizations that are on the path of creating a current-state inventory must re-evaluate the EA program scope, objectives, and resourcing, and change any or all of those as necessary." I agree, and this vision and strategy follows their recommendation.

Third, the IT industry is pushing the notion of application and data integration as key ingredients in to-be architectures. Integration enables the bridging of silos but, of course, at the cost of added layers of complexity. The hope is that technology will evolve fast enough so that the extra costs of the added complexity will be less than the efficiencies gained by the integration. Unfortunately, this is not always the case, especially with ancient, arcane systems. Still, such integration forms the core of SSA's modernization efforts. In our approach, integration is mostly a transitional element, used only as we are moving from the old to the new. The final architecture is designed to be self-integrating (in the SOA sense), so that external integration wrappers are not needed.

Fourth, SSA likes to view its enterprise as very large and complex. This justifies its requests for larger and larger budgets and also emboldens it to claim that it is efficient. SSA brags about new highs in daily transactions. It is not in the Agency's DNA to try to simplify its processes and to reconsider its enterprise as relatively simple. The reality is that, when it comes to transactional IT, compared to modern large enterprises, SSA is moderate.

¹⁶ <http://www.gartner.com/DisplayDocument?id=1526514>

Fifth, SSA's current approach is predicated on the notion that it should leverage all of its previous IT investments. Since the Agency has already spent so much on archaic code development, it should not throw it away. The fallacy of this argument is evident to any investor. It is the same as arguing to hold on to a stock just because one has held on to it for a long time.

Sixth, and most critically, is that the notion of entrepreneurship in government is missing. There is plenty of innovation in government. But innovation is not entrepreneurship. Innovation yields clever solutions to problems; entrepreneurship yields creative destruction- the process of inventing completely new ways of thinking about businesses and then figuring out how to execute these inventions and retiring the old. Government bureaucracies, in general, discourage such thinking. Bureaucracies seek to increase their budgets; see Budget Maximizing Model¹⁷ and Bureau Shaping Model¹⁸. Entrepreneurship forms the basis of my suggested approach to modernization at SSA.

6. A Strategy for Modernization

Our approach to modernization at SSA is entrepreneurial; we design and build a modern system from the ground up, and we transition to it, gradually retiring the old. Our starting point is not SSA's as-is architecture. Our starting point is what SSA has to do as an enterprise, what is required by statute and regulations. Our starting point is not constrained by what SSA has. We will design an idealized, modern architecture to deliver the services that SSA is required to deliver. We will start with a high level over-arching view of the architecture before getting down to some level of detail. This will give us the over-arching guidelines that our Enterprise Architecture demands. Only then will we consider SSA's as-is architecture, and plan a transition strategy. We will demand from the start that our to-be architecture is sustainable within a reasonable budgetary constraint, and we will design a transition strategy that is also doable within this budgetary constraint.

We will not spec out details for the overall final system; that would be a recipe for disaster. We will have a hierarchical design- top level over-arching, perhaps several cascading lower levels, and we will allow for flexibility at the leaf levels. Just like in a startup, we will isolate some piece of the system that is, by itself, a valuable and marketable subsystem, and build it from the ground up. We will use modern integration tools to temporarily co-exist with SSA's as-is architecture. Slowly, we will grow the new system and retire the old one. And just like with a startup, we will introduce creative destruction into a government bureaucracy.

It is important to understand the startup analogy in the context of a government bureaucracy. The idea is that, just as in the private sector, we start with a relatively small piece, make it successful, and then bootstrap, thereby growing the enterprise. As in the private sector, we must allow for flexibility in the

¹⁷ http://en.wikipedia.org/wiki/Budget-maximizing_model

¹⁸ <http://en.wikipedia.org/wiki/Bureau-shaping>

bootstrapping process, because we cannot anticipate all the conditions at the various stages of the process to have a growth sequence rigidly fixed. But there are several big differences between our approach here and a startup in the private sector.

First, we cannot freely bootstrap. In the private sector, once an initial business takes hold, the startup can augment it with any follow up that seems appropriate; here, we are constrained to building only what SSA is required to do by law. Second, worker and management incentives are very different in the two domains. Third, government bureaucracies are burdened by procurement and hiring rules that are more limiting than those in the private sector. And fourth, we do not start as a lean enterprise; we still have to service the public as usual. We have to carry both the startup and its competitor simultaneously, slowly growing the new and retiring the old.

I anticipate objections to this strategy. The first is that it is too risky. My response here is that the alternative, continuing on the current trajectory, is not sustainable and hence even riskier. The second objection I anticipate is that the task is too great. Obviously, this cannot be the case; after all, SSA is servicing its customers today with a system that humans built, so we know that the task is doable. What we have to demonstrate is that it is doable within some budgetary and service-level constraints. The latter constraint is that SSA must continue to service the public at the level of quality that they have grown to expect. As for budgetary constraints, we will assume that SSA's total LAE is constant (in real dollars) for the foreseeable future. If it turns out that SSA gets more funding, we can accelerate the process; to deal with the possibility of reduced funding, we must make the process sufficiently malleable so that we can adjust accordingly while still heading towards our ultimate vision.

Let us now start building our proposed solution. We identify what we have to do, not what we are currently doing. On the highest level, we have to know our customers and we have to make determinations and computations. This suggests that we need a Customer Relationship Management (CRM) system and some rules-based engine for determinations and decisions regarding computations. The latter is reminiscent of modern tax preparation software products, which determine what forms to use, which of various optional computations to use, and then compute payment or refund amounts. Because the most popular such engine today is TurboTax, we will call our engine for determinations and computations our TurboEngine.

CRM systems have evolved over the past three decades and certain paradigms have emerged as standard for interfaces and interactions. We propose to follow these paradigms rather than invent new ones, as these have proven to be acceptable to a wide range of customers. However, CRM systems typically provide sales force automation and marketing support, and most of their standard modules are not useful to SSA (though some handle case processing and may be good starting points). On the other hand, their workflow management systems, rights access control mechanisms, and parts of their contact management and interaction history tracking capabilities can be immediately leveraged for our needs.

Similarly, the interfaces to our TurboEngine should be familiar, in the sense that they are similar to those of standard tax preparation tools. The engine will provide end-users with guidance on completing

various tasks, highlight when things are missing or suspicious (indicating probable or possible error and asking for more input or further review), and allow for simple scenario analyses. The same TurboEngine will be used by field representatives, telephone service representatives, and customers who interact with us via the Internet, though the user-interfaces for the latter will probably be different from the one for SSA workers.

Data resides in a single virtual repository. Physically, it may consist of numerous constructs, including classical relational databases, modern data-stores such as Hadoop/HBase, or any of today's standard systems for storing and managing large sets of data with varying requirements. However, because of the virtual singleness of the data, everybody sees the same thing (when they have viewing rights, that is). Our data structure is designed from the ground up to optimally meet our special needs. For example, we often have to recompute from past data. A name today may not be the same as it was five years ago. Even a birth date today may not be the same as it was five years ago. And, importantly, a rule today may not be the same as it was five years ago. Data and rules for us will always comprise time interval components. This will help alleviate so much of the manual labor that is currently done during post-entitlement work.

We use standard technologies, and never rely on bleeding edge technologies. We do not innovate in technology; what seems like clever technological innovation with some cost saving today invariably becomes a costly albatross a few years down the road (think of SSA's MADAM). We use technology to help innovate business processes. Even though we are an information-based enterprise, we are not a technology company.

7. Transition Strategy

We plan the transition to the new architecture as a series of evolutionary steps. Each step of the bootstrap process takes the form of a transition project that advances the state of the architecture while preserving overall operational ability. The primary technological challenge is to find a way to gradually transition from current data stores to new ones that support the domain-centric view of service components. To mitigate risk, the solution must provide a fallback path that preserves information in current formats, should that be necessary at any point in the transition.

We retain SSA's current data stores during the transition period. Applications continue to operate as today until the new system allows us to retire them. Our CRM system rolls out in stages, office by office or region by region. The CRM system integrates its operations with new service components as they enter production.

Modern data integration tools will be used during the transition to build modular virtual databases to support our service components. These tools allow us to define dynamic mappings and transformations between virtual database views and underlying data stores. Changes to the underlying data made by older applications are instantly available to new service components in the format they wish to see it.

Changes made by service components are instantly available to older applications. Fallback is facilitated since data in existing stores always stays current. At the end of the transition period, we retire the old data stores and our use of data integration tools. We also need to create new databases to support the new service components and load them with information from current data stores and user input.

It is important to highlight that we do not intend to migrate SSA's current databases to our new databases. What we will do is populate the new databases only with data that is necessary for SSA to run its business. This is a simpler task than what SSA has been trying to do in migrating from MADAM to DB2. Current SSA databases contain a lot of redundancies and sometimes hard-to-reconcile data.

We can take advantage of successful efforts SSA has already made at virtualizing access to data. When several applications share a data access layer, it might be feasible to change that layer to base its operation on service operations rather than underlying databases.

Our planning needs to establish an order of transition projects, but we must remain flexible in the bootstrapping process. We begin by looking at SSA's business operation, understanding its individual parts and the relationships between them. We discover business domains – aspects of SSA's business that are relatively self-contained. We plan our transition by prioritizing our domains for implementation. A TurboEngine for Title II applications that can be accessed by end users over the Internet seems like a good candidate starting point. Based on work of my former team in the Office of Vision and Strategy at SSA, I am confident that this engine can fully automate a large percentage of online claims applications, and so this, by itself, will provide significant added value to the Agency. Domains that support the CRM system within SSA's larger enterprise also seem likely candidates for early implementation.

For each transition project, we build a set of service components that implement the qualities of its domain. We take care to structure their operations to reflect business requirements and not how business currently works. As part of this work, we define a virtual data model to reflect relationships within the domain. We use our data integration tools to create mappings between the virtual data model and SSA's current data stores. We may use a rules engine in components responsible for evaluating large sets of interrelated business rules.

Operational transition still needs to be explored. The new SSA will not need the vast majority of what is currently in its Processing Service Centers. CR training will change because the day-to-day operations of CR will change. Proof-of-concept stages will need to be planned and rolled out. Interactions between Policy and Systems will change. Better analytics and reporting will mean changes in performance monitoring. Software development paradigms will change. So far, while we have identified such operational issues, we are not ready to make recommendations regarding them.

At the conclusion of each transition project, the agency has completed another evolutionary step toward realizing its architectural vision. We must be flexible to allow for shifts from the ideal vision to meet constraints that arise as we develop and execute. As long as the final architecture is derived by

heading towards our ideal, even if we get to some place that is not exactly what we envision early on, we will still have a highly efficient, modern enterprise.

8. Conclusion

In a speech at the White House Forum on Modernizing Government (January 14, 2010), President Obama said, “We’ve got to get the best bang for every single dollar that the government has in its possession. And when Washington lags a generation behind in how we do business, that has real and serious impact on peoples’ lives.” SSA has a responsibility to the American people to recognize the dangers of continuing with its current way of doing business and face up to the hard challenge of creating a 21st Century agency. This paper not only highlights SSA’s problems, but also shines a light on a path to success. We, as a nation, have the talented people who are willing to work for the public good to get the job done. SSA’s leadership needs to overcome its fear of change, step up to the plate, and carefully but surely move forward.

Appendix

The following Social Security service capabilities do not exist today, nor will they be enabled if SSA continues with its current IT initiatives. They are all enabled by the proposed SSA-2020 plan, and can be delivered at costs significantly lower than today's.

- Individuals can securely transact almost any business with SSA via automated services. There are few exceptions.
- SSA automated services are available when the customer chooses, 24x7. There is no need for batch processing or backup windows. Software and hardware deployments and upgrades can occur at any time without affecting customer service. Since data and applications are kept current at multiple locations, software, hardware and telecommunications failures and anomalies are detected and managed without interruption to customer service or to SSA staff.
- SSA automated services are available through the machine interface of the user's choice. User interface management is completely divorced from business logic so that it becomes much simpler to accommodate a heterogeneous and changing universe of individual citizen and business partner interfaces. Development of user interfaces in multiple languages is much more readily supported.
- Individuals can easily obtain relevant information about SSA programs using automated services. Program information is communicated to individuals when they want it, in a consistent fashion, and uses automated methods to determine the most suitable yet complete answer to almost all program inquiries.
- Individuals have direct access in one place to their activity history at SSA. This includes pre-claim activity that an individual might choose to save both for future reference and to streamline future claims filings.
- Almost all interactions with SSA can be fully electronic. This includes all inquiries and claims transactions originating either with the individual or with SSA, and includes any notice or other formal communication created by SSA.
- Benefit estimates are made using the same code as claims. Given the same data, an estimate and a benefit payment are guaranteed to be the same. There are no surprises. The accuracy of an estimate is affected only by the information provided by the beneficiary.
- SSA's benefit estimate and claim applications are both intuitive and informative. Potentially complex decisions such as month of election are clearly understood using a combination of what-if scenarios and clearly written context driven help.
- Interactions with SSA are data driven. Only the data still needed to complete an SSA determination are requested.

- A potential beneficiary can make and optionally save for future use numerous benefit estimate scenarios, as needed. The desired scenario can be turned into an application with a mouse click. Information known to SSA or saved for future use by a potential beneficiary are all reused. Most benefit estimates convert to benefit applications with almost no additional input required.
- Almost all transactions are processed to completion online. At the end of the transaction, the individual has received official notice of SSA's decision and rationale, and if benefits are due, knows exactly how much will be paid and when, and what factors were considered in determining the benefit payment amounts. Program actions are event driven and batch processing for the most part no longer exists.
- A complete history is maintained of all transactions, including all evidence and business rules used to process the transaction at that time. All information is retained to the extent permitted and not deleted or replaced. Both customers and SSA staff can always see the source and effect of any change, what specific factors SSA considered, and be able to view a record as it appeared before and after any transaction, even where information has changed multiple times for the same payment event. There is no need for separate audit, history or archive files. Integrity management occurs as individual transactions are processed.
- Uniform transaction description and storage and complete transaction records permit automation of many notices. Notices are intelligible.
- SSA staff has a single facility to view all interactions for and information about an individual customer. This facility provides staff with a complete view of all completed, pending and diaried future activity for the individual. Multiple control lists and development worksheets no longer exist.
- SSA management has a complete view of work processed, pending and projected for their scope of their responsibility.
- Business intelligence is greatly enhanced with near real-time access to almost all available claims data. Only summary data is separately maintained from the authoritative data source. Summary data can always be traced back to the state of the individual specific records at the specific point in time used to produce the summary data.
- True modular managed development leads to applications developed faster at less cost and with few defects. Application development is based on a combination of modular services, active rules repositories and engines, and generated user interfaces. Small or moderate changes can often be rapidly released and without extensive testing of an entire system. Moderate and large changes can often be implemented by incorporating new rules and without extensive prescriptive coding.
- Application developers are primarily policy and business process experts. Systems experts concentrate more on the information technology infrastructure. The effect of policy and operational changes can be modeled prior to implementation. Most testing and validation is automated.

- SSA business services are available to internal and external partners for incorporation into their products. Centers of innovation and excellence within SSA can easily augment and transform major SSA business services. Private third parties can provide consolidated services to their clients, such as corporate retirement applications also including social security benefits. Policy issues permitting, SSA benefit application and maintenance activities can be consolidated or shared with other governmental entities.
- SSA's many data exchange activities become standards based and event driven. Data exchanges are simple to create and maintain. More inbound data exchange activities are initiated to obtain the additional data necessary to reduce program costs and error.
- SSA is information technology agnostic. SSA is not beholden to any particular vendor or hosting method. Products and processes are modularized so that interdependence between components is minimized. SSA can readily take advantage of best of breed or least cost products and platforms, as they evolve, without incurring significant conversion costs.

MEMORANDUM

To: Social Security Advisory Board
Subject: Biography of Dr. Ephraim Feig, CEO, Topwhats, Inc.
Date: July 20, 2015



Dr. Ephraim Feig is CEO of Topwhats, Inc., producing cloud based applications and consulting on Information Technology. Previously, he was a political appointee of the Obama administration, serving as Associate CIO for Vision and Strategy at the Social Security Administration (2010-2011); Senior Director of Services Architecture at Motorola (2006-2008); CTO and Chief Marketing Officer of Kintera (2000-2006), a pioneering Cloud-based company he helped start and then take public in 2003; and research scientist and manager at IBM (1980-2000). He is a Fellow of the IEEE, a founding member of the

IEEE Technical Committee on Services Computing, Associate Editor of the IEEE Transactions on Services Computing, and Associate Editor of the International Journal on Web Services Research. Recent professional activities include Chair of the IEEE Technical Committee on Services Computing (2012-2014) and General Chair of IEEE-SERVICES (2009-2015). Dr. Feig served on the board of directors of the San Diego Symphony (2006-2008) and was on advisory boards at IBM, UCSD, USD and CUNY. He has a PhD in Mathematics, has published over 100 technical papers, is an inventor on 33 US patents, and has taught at 8 universities, including Columbia University, the City College of New York, and the State University of New York.

MEMORANDUM

To: Social Security Advisory Board
Subject: Biography of Robert Klopp,
Deputy Commissioner, Chief Technology, SSA
Date: July 13, 2015



Following the launch of healthcare.gov, President Obama established the United States Digital Service (USDS) and brought leading experts from companies like Google, Apple, and Amazon to solve the challenge of how federal agencies can interact better with customers, and with each other, in cyberspace.

USDS has also put seasoned industry leaders in senior agency positions to promote this new vision of technology in government.

Enter Rob Klopp, Social Security's new Chief Technology Officer (CTO). In January, Klopp became the agency's first CTO, bringing decades of industry experience to the job, including filling technical and executive roles for a variety of organizations, including large software enterprises in Silicon Valley, start-ups in the United States and Switzerland, and his own boutique consultancy.

Klopp said he and his team want to build the systems that will make data quickly available to decision makers. He hopes to have the first part of that system in place in the next three months. And, it will be built in the cloud.

The current, non-cloud system works like this: An IT department wants to add several users to a system and needs more servers to handle the load. The technicians order new servers, wait for them to arrive, install them, and then load the software. This deployment might take up to three months.

Using the cloud, the same team could go to a remote service offered by a company, such as Amazon, and tell it how many servers, with what capacity and software they need. The service can make the extra servers available online for the technicians to tap into in about five minutes.

"Secure data and capacity can be instantly available and can go away when they're no longer needed," Klopp said. "We call that type of system 'elastic'—and it's the modern way."

"For the lines of business and the regions, cloud computing is powerful," Klopp said. "Today, a business user has to come to us at headquarters or use their own funds to buy and build the computer infrastructure they need. Once cloud-based infrastructure-as-a-service is in place, a

region will be able to spin up servers whenever they need them. This will allow all our techs, whether at headquarters or in the field, to do more and to be more creative.”

Klopp is enjoying working with Social Security staff. “People here are smart, engaged, and switched on,” he said. “Change isn’t going to be difficult; it’s going to happen fast. People here are ready for it.”



A Silicon Valley sensibility has overtaken Washington. But can it budge the behemoth federal bureaucracy?

By Jack Moore

In early June, former U.S. Chief Technology Officer Todd Park appeared at the Health and Human Services Department’s annual techie conference in Washington, the wackily named Health Datapalooza. He was seeking new recruits for the White House U.S. Digital Service, an office he says combines the forward-looking ethos of the Defense Advanced Research Projects Agency and the altruistic mission of the Peace Corps with the targeted aggressiveness of Navy SEAL Team Six. The group’s mandate? To radically rethink the way the government buys, builds and delivers IT systems and citizen-facing services—with the necessary top cover from the administration to do so.

You don’t even need to learn how government works, Park, now a presidential adviser and tech recruiter, pitched the crowd. “Do what you would do in the private sector and we’ll blow up the barriers in the way,” he said.

Increasingly, officials say what ails the federal government when it comes to IT—a Byzantine contracting structure, antiquated technology and ineffectual engineering processes, all thrown into high relief during the HealthCare.gov fiasco—can be solved by hordes of fresh talent schooled in the fail-fast, agile mind-set pioneered in Silicon Valley. High-caliber talent has heeded the call, swooping into government for “tours of duty” with both USDS and a sister effort launched by the General Services Administration called 18F.



Do what you would do in the private sector and we’ll blow up the barriers in the way.

TODD PARK, FORMER U.S. CTO

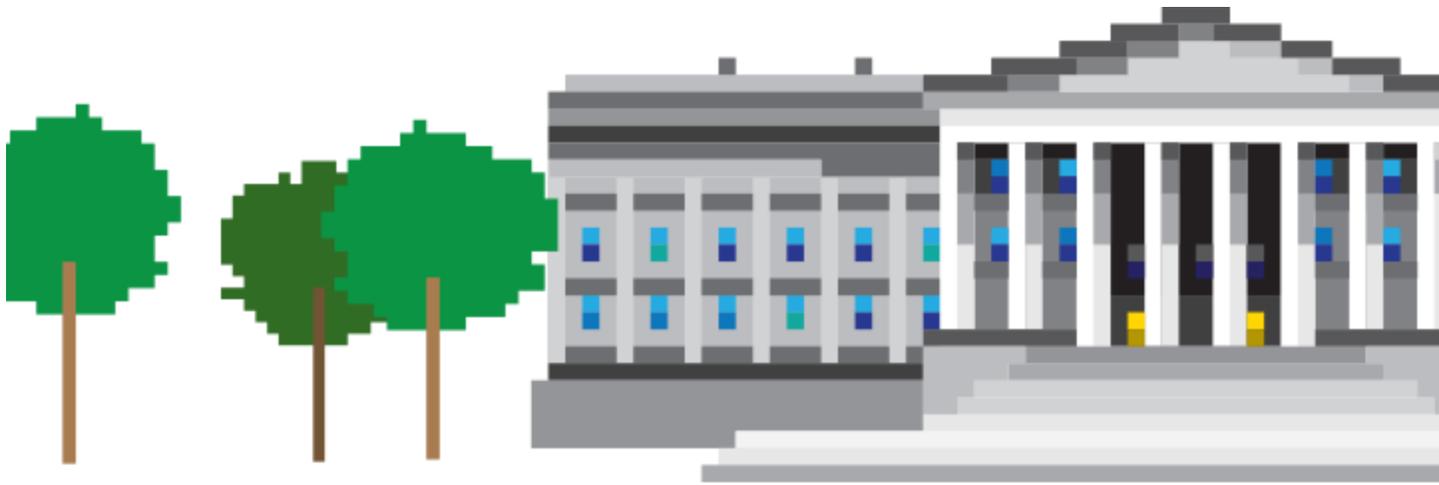


“The artificial barrier that has kept the technology industry and the public sector separated on different evolutionary paths is porous right now, and if enough people cross over, it can be destroyed,” said Mikey Dickerson, the head of USDS, in March at the South by Southwest Interactive Festival in Austin, Texas. Dickerson, a former Google engineer who played a lead role in the HealthCare.gov patch-up, was asked by the president in August 2014 to set up the White House tech unit.

Still, it remains to be seen how this new crop of innovative outsiders will fare in the federal bureaucracy. *Government Executive* spoke with outside experts, agency officials and some of the leaders of the new digital squads, including at GSA’s 18F team, to get a sense of the scope of the efforts and their long-term plans. The White House Office of Management and Budget, however, declined to make Dickerson, Park or any members of USDS available for interviews for this article despite repeated requests.

Silicon Valley, so the cliché goes, is ruled by the mantra of what Harvard Business School sage Clayton Christensen calls “disruptive innovation.” Upstarts tackle ambitious projects even if they might fail, overthrow the complacent status quo, squeeze out the competition by any means and “break stuff” to foster breakthroughs.

It’s unclear whether such a mantra can be adapted into a message risk-averse Washington can rally around, or whether that’s even the right message at all. Quietly, some officials wonder whether there’s already too much of a Google influence in government. With the clock running out on the Obama administration, they wonder whether the new digital teams can recode the “break stuff” mentality into a “fix stuff” mission that actually makes lasting changes.



'THERE'S NO MAGIC'

To begin to find out, we paid a visit to 18F, which aims to carve out new pockets of innovation one interagency agreement at a time. The team's name references the intersecting cross streets at the leafy corner where GSA's neoclassical headquarters sits, just a few blocks from the White House.

"We get questions a lot," says Phaedra Chrousos, GSA's associate administrator for Citizen Services and Innovative Technologies, which oversees the 18F team. "18F is new, and so by government standards we're like crazy and weird." She adds, "There's no magic to it; it's just new stuff."

The team, created in March 2014, is staffed by a growing cadre of engineers, designers and developers who work on projects at agencies' request on a fee-for-service basis. The team has tackled a dozen projects so far, including MyUSA, a single sign-on for government services; a redesigned Peace Corps website; and a handful of market research tools to help GSA contracting officers optimally price professional services contracts. "The need in government is endless," Chrousos says. Some 100 project requests are sitting in the intake pipeline, she adds.

18F is distinguished by the unorthodox methods it champions. There's agile development, which describes the process of tackling large projects by peeling off smaller pieces. The team is also big on user-centered or human-centered design, which prioritizes design choices and functionality based on how people will use a website or widget, not on what's convenient for back-end developers.

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It's a huge open door to the rest of government to say, 'OK, there was a first mover; it all went well. Let's try it, too.'

PHAEDRA CHROUSOS, GSA



The team uses free and open source software and publishes the code developed as part of a project. The use of public code-sharing repository GitHub—which can provide sneak peeks into the projects 18F is tinkering on—spurred a recent headline on the data-driven news site *FiveThirtyEight*: “Some Washington Bureaucrats Are Adopting the Tech Tools of Silicon Valley.”

“This is where I see 18F being a first mover, because I feel like a lot of agencies—I don’t have specifics—would probably say, ‘Oh, I don’t know if I want to put my code in the open,’ and ‘Is this legal?’ ” Chrousos says. “By having someone in the government do it first and not get in trouble for it and actually see that it works to your advantage—it’s a huge open door to the rest of government to say, ‘OK, there was a first mover; it all went well. Let’s try it, too.’ ”

Chrousos has described the team in the past as “surge support for CIO offices.” Agencies request support, hash out the terms and conditions with 18F, and the work is completed by interagency agreements. 18F is required to be self-funding. In contrast to the openness the team espouses in other aspects of its work, 18F officials don’t discuss their rates or pricing structure publicly. The rates the team charges cover employee salaries and typical GSA overhead, such as rent, an 18F spokesman told *Government Executive*.

Meanwhile, the civic hackers at 18F spun off a new line of business, 18F Consulting (the original team is now 18F Delivery), in September to help agencies rewrite solicitations to attract a different breed of vendor. Aaron Snow, 18F's acting executive director, says that's the key to scaling 18F's methods to the broader federal government.

Still, largely outside the scope of 18F's efforts are those multimillion-dollar legacy investments and "big bang" overhauls of legacy technology that have too often imploded on launch after years of meticulous and costly development under traditional Washington contracting methods. Of the nearly \$80 billion in federal IT spending, more than 75 percent is budgeted for maintaining legacy systems.

Those are often the kinds of too-big-to-succeed IT projects cited by the Government Accountability Office. For the first time last winter, the watchdog added information technology acquisition to its high-profile list of "high-risk" federal programs.



**75% of federal
IT spending is budgeted
for maintaining legacy systems**

THE FIXERS

That's where the other digital squad making waves in government is supposed to come in. USDS, located just a few blocks away at the White House, is populated by the same type of civic-minded techies as 18F, but the mandate is different.

"The basic theory of the U.S. Digital Service is to replicate the ingredients that were successful in turning around HealthCare.gov for a few other high-priority projects," USDS' Dickerson explained in March at SXSW.

In other words, 18F is a team of builders while USDS has fixers.

In the past, Dickerson, like Todd Park, has described the tech unit as the "Navy SEALs" of federal IT. "When there's a problem, they go to the problem without preconditions, without stopping to consider whether this mission's too hard or whether it can't be done," he said last summer at a White House management meeting, shortly after being named to lead the office.

Another key difference between 18F and USDS? The GSA team is voluble about the work it does, with members frequently blogging about the projects they work on and the methods they use. Dickerson's team is far more circumspect. Because no members of USDS were made available for interviews, we've relied on public speeches and statements to patch together a portrait of the team and how it operates.

So far, the digital service concept has been piloted at a handful of agencies. A team at the Veterans Affairs Department is working on collapsing more than a dozen VA websites into a single portal. It's part of the department's "MyVA" initiative, which aims to serve veterans more effectively following the 2014 scandal over falsified data about the length of time some veterans waited for medical care.

Another VA pilot project involved launching a new website to make it easier for transitioning service members to search for civilian careers. VA had originally expected to spend \$25 million over the course of several years to develop the site, OMB Director Shaun Donovan told Congress this spring, but instead, three digital experts from USDS spent three months and just \$175,000 to launch it.

\$25m VA's cost estimate to develop a career website for vets
\$175k amount the U.S. Digital Service spent to launch VA's career site



It will not work . . .
if you come here with a big attitude, saying, 'You people are stupid, get out of the way and we'll show you how it's done.'

MIKEY DICKERSON, USDS



At U.S. Citizenship and Immigration Services, a USDS pilot project worked behind the scenes to make a handful of key fixes to an ambitious plan to digitize the immigration process. As of May, immigrants can now renew their green cards online. Still, the process to fully computerize what is mostly a pen-and-paper process remains ongoing, having

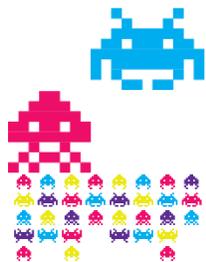
ballooned in cost from half a million dollars to more than \$2.6 billion during the last half dozen years.

The digital service effort is about to hit overdrive. In his 2016 budget, President Obama included the idea of embedding individual digital service teams—staffed with coders, engineers and other federal IT fixers—directly into agencies across government.

The White House has identified some 60 projects that need attention from digital experts. Among them: the Homeland Security Department’s Einstein intrusion-detection system and another governmentwide cyber-monitoring platform, both of which have come under scrutiny for failing to immediately detect the massive breach of employee records at the Office of Personnel Management; and a Census Bureau initiative to use the Internet to modernize the 2020 head count, which is already causing planning headaches for Census strategists.

Most agency teams are still in the planning stages. Greg Godbout, the former executive director of 18F, left GSA in April to help stand up the Environmental Protection Agency’s digital team. He says he thinks of the 20 or so planned agency digital teams as different “franchises,” each taking a slightly different approach based on the needs and missions of their agencies.

“And you will get—and you should—slightly different flavors at each one,” he says. “Some will build a development team. Some will build consulting services . . . And I hope we try umpteen different ways because that’s the advantage of doing open innovation—we can learn from each other.”



WANTED: CIVIC-MINDED TECHIES

The Obama administration has made attempts in the past to refresh government’s tech talent. Since 2012, the Presidential Innovation Fellows program, has brought in dozens of “badass innovators,” (Todd Park’s term) to work on high-concept agency projects. But the

launch of 18F and USDS last year (both staffed by a slate of former innovation fellows) represent more permanent hacks of the hiring process.

“Convincing people to actually come into government is a little bit crazy,” Haley Van Dyck, one of the co-founders of USDS, said at the Personal Democracy Forum conference in New York in early June. “As everybody here knows, we don’t have a ton of perks that we get to offer inside government: Our salaries are pretty capped; it’s hard to compete with the micro-kitchens and the free dry cleaning at Google and whatnot.”

But against all the odds, it’s working, she said, ticking off the tech giants her team has successfully “poached” from Facebook, Google and Amazon, among others. *VentureBeat*, a news site covering the tech industry, even went so far as to list the federal government as one of three “unlikely industries innovating in tech hiring.”

The administration is pitching civic-minded techies seeking purpose, not just perks—“impact junkies” in the words of 18F’s Snow.



Convincing people to actually come into government is a little bit crazy.

HALEY VAN DYCK, USDS



“America needs you!” Park exhorted a Mountain View crowd last summer. “Not a year from now! But Right. The. Fuck. Now.” (Punctuation comes by way of *Wired*, which covered one of Park’s recruiting trips last summer at the headquarters of Internet giant Mozilla).

Behind that altruistic call, the Obama administration also has pared back some of the more onerous limitations of the convoluted federal hiring process to make it easier to recruit digital talent.

In May, OPM approved Schedule A hiring authority for all executive branch agencies, allowing them to hire “digital services experts” at the upper reaches of the General Schedule pay scale (GS-11 through GS-15) in temporary, one-year positions that sunset after two years. The authority permits agencies to recruit for positions outside USAJobs.gov, the federal government’s notoriously clunky career site.

The effort to hack the hiring process has proved surprisingly successful. The administration hadn’t originally planned on scaling that fast-track hiring authority governmentwide until 2017. Recruiting by the White House team since January has already netted some 2,000 resumes.

2,000 resumes netted by U.S. Digital Service recruiting efforts since January



It’s hard to compete with the micro-kitchens and the free dry cleaning at Google and whatnot.

HALEY VAN DYCK, USDS

Still, some critics contend the new digital hiring flexibilities are only window dressing on a much bigger problem. Elaine Kamarck, who managed the Clinton administration’s “reinventing government” initiative in the 1990s, argues broader reforms are needed to fix the antiquated civil service system to make it a competitive tech employer. Without that, “they’re gonna fail,” she told *Politico* in a May 19 article titled “Barack Obama’s Tech Troops.”

What makes her so sure? “Because the problem is the structure of the civil service itself,” she says. To be able to compete for tech talent over the long haul, the government needs to make permanent reforms to federal hiring, tighten up timelines in the security clearance process and modernize the pay scale, Kamarck says.

“We don’t need any demo projects to prove that the government needs to up its digital talent,” she says. “What we need is civil service reform.” Kamarck pointed to DHS’ long-standing efforts to attract top-notch cybersecurity talent. Congress has granted the agency hiring flexibilities for years and thrown more money at the agency, and still “they can’t hire them,” she says.

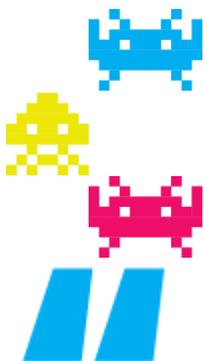
The short-term aspect of new digital hires is also a problem, Kamarck argues. “How many organizations take seriously somebody who’s there on a six-month stint? They don’t,” she says. “The government needs real jobs: People with high skills who stay around, learn the legacy systems and can actually fix things.”

There’s also the question of whether the federal IT workforce is ready for an invasion of innovative outsiders.

IT staff in the federal government are already a less than completely satisfied bunch. Among other mission-critical occupations in government—the designation also encompasses economists, HR specialists and auditors—IT specialists have the lowest employee satisfaction scores, according to the most recent Federal Employee Viewpoint Survey.

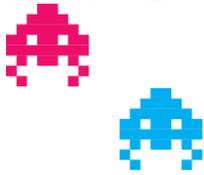
Meanwhile, the recruiting pitch taken up by leaders of the new digital teams often seems to play up how backward government is. “A lot of people in government are, like, suspended in amber,” Park said in one of his first West Coast recruiting pitches for the Digital Service, quoted in *Wired*. That kind of arrogance may resonate in Silicon Valley, but it doesn’t do much to endear the administration’s efforts within some of the agencies they purportedly are trying to help.

The leaders of the new digital offices in government “need to become savvier about the customers they’re dealing with,” says Rick Parrish, who tracks tech initiatives in both government and the private sector for Forrester Research. “Actually take more time to walk in their shoes and understand that sometimes there is actually a reason for why things are done the way they’re done—other than inertia or stupidity,” he says.



Make it possible for people who have been part of the problem in the past to change.

MIKEY DICKERSON, USDS



Federal officials say they're alert to the possibility of a culture clash, especially as plans to embed new digital teams in agencies picks up pace.

"I think it's one of the trickier things that we have to do," federal Chief Information Officer Tony Scott says of the need to balance the talent influx. "I think there is a danger... that if we do it the wrong way, there'll be the haves and the have-nots and you end up with a war."

Scott isn't alone. "We are very concerned about this conflict," VA CIO Stephen Warren said at a government IT conference in May. The aim, Warren said later, is to avoid "management by seagull," where digital newcomers "come in, you make a lot of noise, you crap all over the place and you leave."

Still, Dickerson is known for championing a peacemaker role. He made it a point to empower rank-and-file employees when he was initially hauled in to help HealthCare.gov, according to accounts of his work there. "You have to make it as easy as you can, and at least make it possible for people who have been part of the problem in the past to change," he said in May at the "Velocity" Web conference in Santa Clara, California.

And in a June interview with *Fast Company*, Dickerson downplayed the idea of Silicon Valley disruptors invading government to impose a new order. "It will not work, and you will not go far, if you come here with a big attitude, saying, 'You people are stupid, get out of the way and we'll show you how it's done,'" he said.

WHERE'S THE MONEY?

There's another constituency the new digital teams have to impress: Congress.

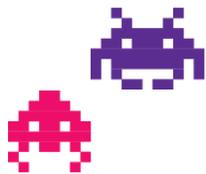
18F is funded by fees from the agencies it works with, which insulates it from the whims of Capitol Hill budgeters. The White House and agency digital service teams, however, require Congress to loosen the purse strings enough to support the effort.

And so far, that isn't happening.

The White House’s \$105 million plan to embed digital teams at the agency level—a pittance compared with the \$80 billion in total federal IT spending—has so far been snubbed by the Republican-controlled House. In all of the 2016 funding bills taken up by the House Appropriations Committee as of mid-June, lawmakers had nixed agencies’ funding requests to support the new teams.

Part of the problem is that despite selling the idea of an “improbable public-interest startup,” to some media organizations and at tech conferences, Dickerson’s team isn’t doing much of a show-and-tell for Congress or even agencies themselves. A survey by Government Business Council, Government Executive Media Group’s research arm, found that nearly 70 percent of federal officials were “not at all familiar” with USDS.

A knowledgeable congressional staffer describes Dickerson’s team as “a lot more opaque,” than his 18F counterparts.



~70%percentage of federal officials surveyed who were "not at all familiar" with USDS



The government needs real jobs: People with high skills who **stay around, learn the legacy systems and can actually fix things.**

ELAINE KAMARK, FORMER REINVENTING GOVERNMENT LEADER

“The way USDS has been described to us is that they’re going to be like a fire brigade, where they can go into an agency where an IT investment might be troubled and basically take control over it,” the staffer said. “They’ve been given a lot of power, and it remains unclear what they’re going to do with that. They’ve been hiring all this tech talent, but we haven’t seen anything from them yet. Basically, we just don’t know what they’re doing.”

Questions also remain over the extent to which the digital initiatives plotted out by the Obama administration in its waning years will last.

“I think in one form or fashion, they’ll stay,” says Bill Eggers, public sector research director for Deloitte. For example, he pointed to the Office of E-Government and Information Technology, the IT policymaking unit within OMB created during the George W. Bush administration. Far from being shuttered during the Obama years, its mandate has actually been expanded. “I think the bigger question is, with the change of administration, do you still continue to get all that talent coming in?” Eggers says.

Megan Smith, the current U.S. chief technology officer, speaking at a Washington tech conference in May, said her team is planning to “reach out to every campaign and make sure that everybody who’s running knows about the work we’re doing” related to the digital teams.

President Obama hopes the work of USDS outlasts his term in office.

“The most important thing we’re doing is building a pipeline, a set of traditions, in which really smart folks from the private sector can come in,” Obama told *Fast Company*, “and hopefully a tradition whereby the president recognizes what a powerful tool that is and is providing them the space to do their thing.” Dickerson, though, seems surprisingly noncommittal about the future of the U.S. Digital Service. He says he’s frustrated by the question of whether and how the efforts will last beyond the end of the Obama administration.

“To my way of thinking, we haven’t really done enough yet to prove that we’re worth institutionalizing,” he told attendees at the Velocity conference in California in May.

“Let’s assume that the next administration is full of people who also want generally for the country to run well,” he added. “Then they will be crazy not to continue doing the kinds of work that we’re doing. But I want the results to prove that out, not a bunch of speeches and press releases and policy statements and executive orders.”



Camille Tuutti contributed to this story.

TRUSTEES REPORT
UPDATE WILL BE
PROVIDED AT BOARD
MEETING

MEMORANDUM

To: Social Security Advisory Board
Subject: Biography of Steve Goss, Chief Actuary of the Social Security Administration
Date: July 13, 2015



Steve Goss has been Chief Actuary at the Social Security Administration since 2001. Mr. Goss joined the Office of the Chief Actuary in 1973 after graduating from the University of Virginia with a Masters Degree in Mathematics. He graduated from the University of Pennsylvania in 1971 with a Bachelors degree majoring in mathematics and economics. He has worked in areas related to health insurance and long-term-care insurance as well as pension, disability, and survivor protection.

Mr. Goss is a member of the Society of Actuaries, the American Academy of Actuaries, the National Academy of Social Insurance, the Social Insurance Committee of the American Academy of Actuaries, and the Social Security Retirement and Disability Income Committee of the Society of Actuaries.

At the July Board meeting, Steve Goss will cover the Trustees Report.

Social Security Actuarial Status

**Long-Range Projections for the 2014 Trustees Report
and the SSA Annual Audited Financial Statement**

Where We Are Headed; What We Can Do

Association of Government Accountants DC Chapter

Presented by Stephen C. Goss

Chief Actuary, Social Security Administration

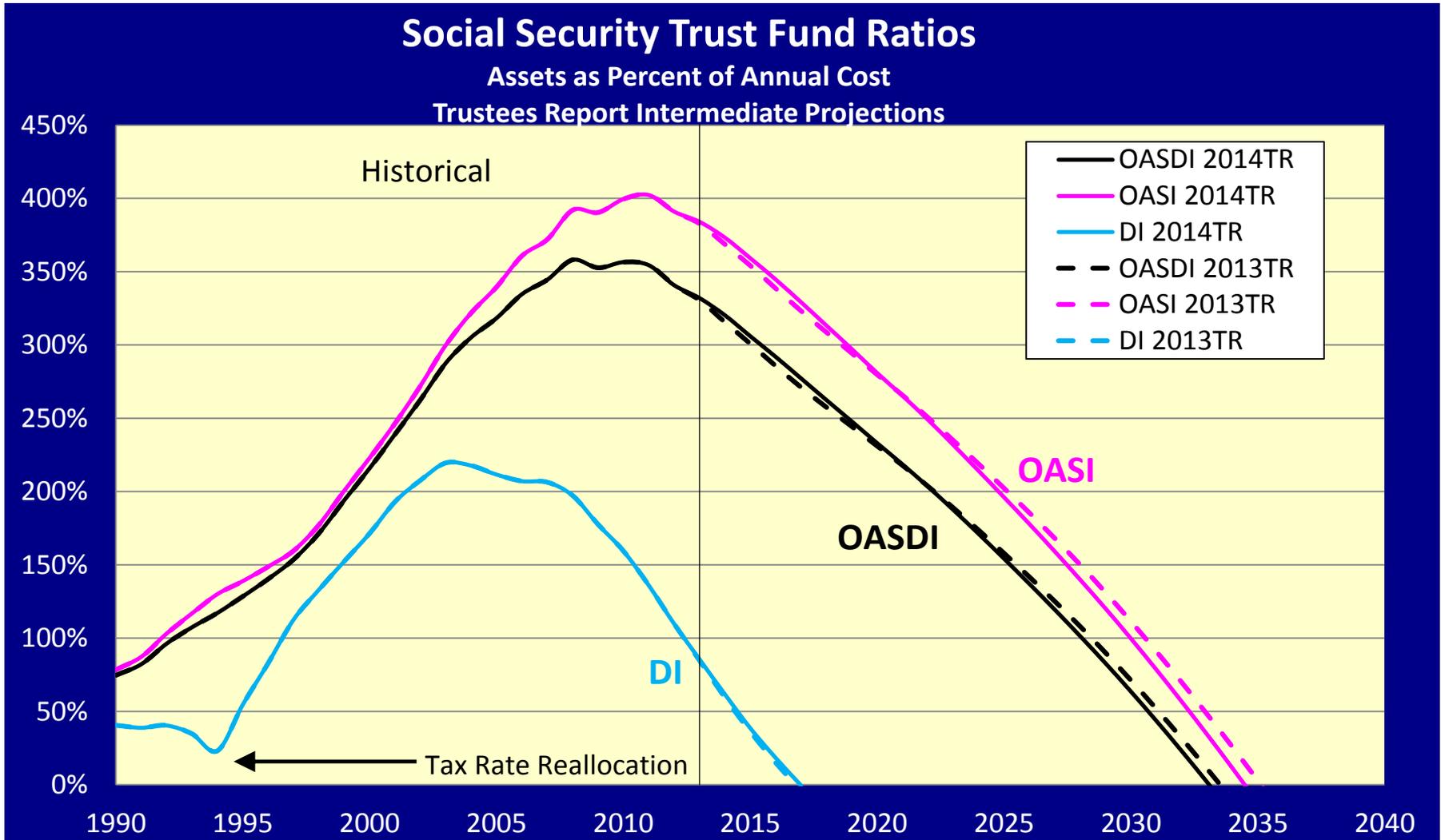
March 11, 2015

Why make these projections?

- 1) Law requires annual report by the Trustees on actuarial status of OASDI
- 2) FASAB requires long-range projections of adequacy of funding in Agency and consolidated financial statements
Basic information; full-scope audit
- 3) Purpose: to inform policymakers and the public

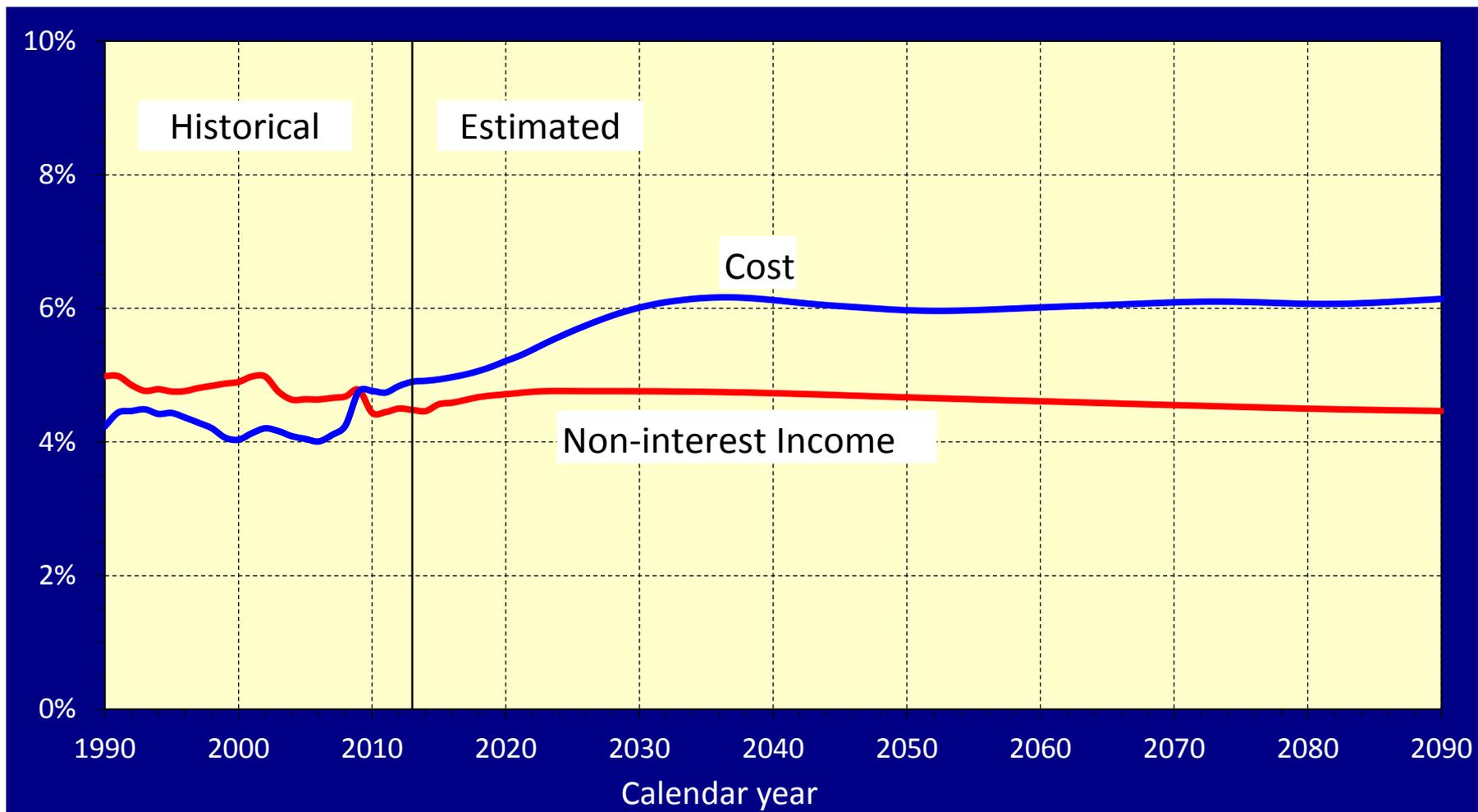
SOLVENCY: OASDI Trust Fund Reserve Depletion 2033

- Reserve depletion date varied from 2029 to 2042 in last 20 reports (1995-2014)
- DI Trust Fund — reserve depletion in 2016
 - 2016 was projected in the 1995 Trustees Report after the 1994 tax-rate reallocation



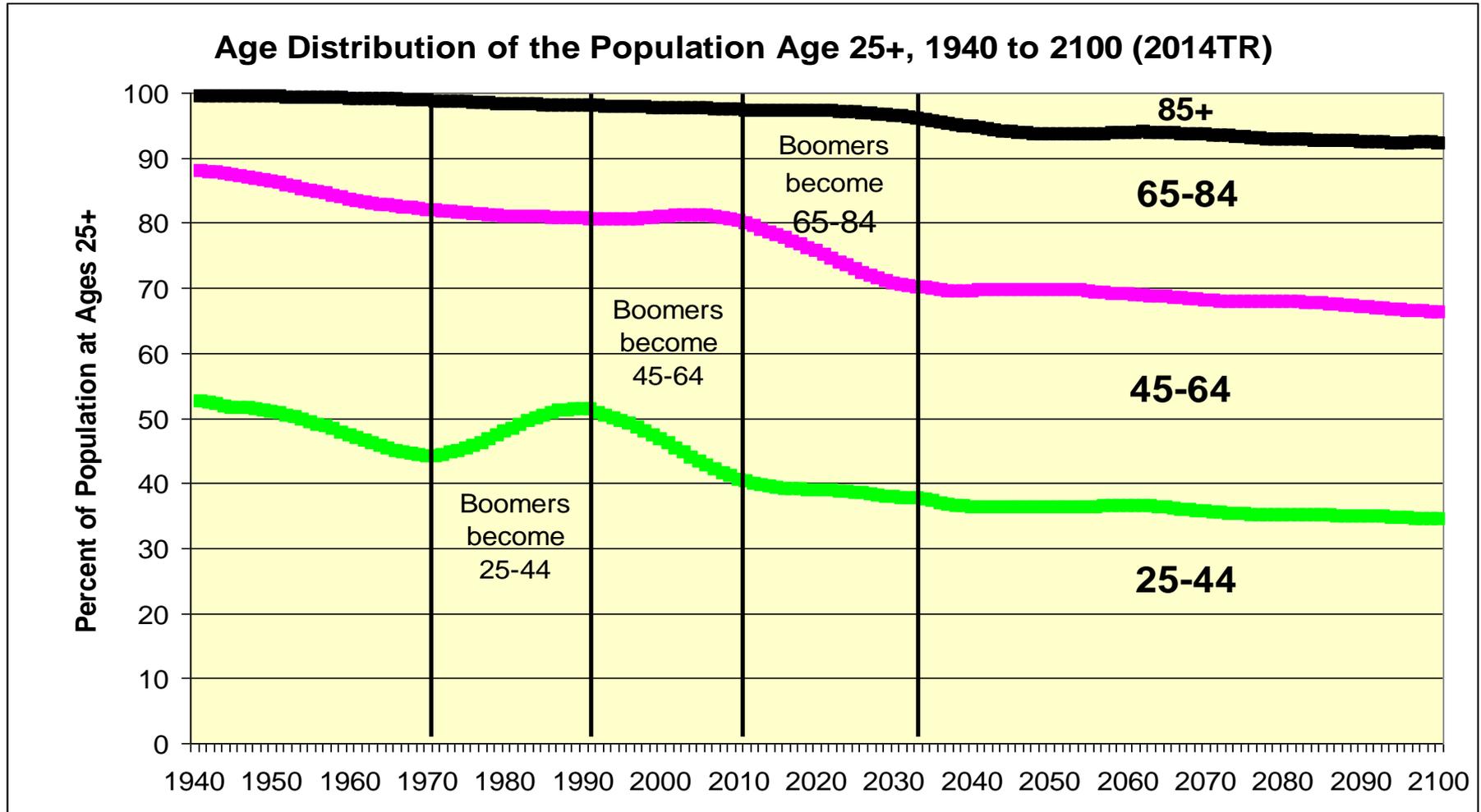
SUSTAINABILITY: Cost as percent of GDP

Rises from a 4.2% average for 1990-2008, to peak of 6.2% in 2037, then drops to 6.0% for 2050, back to 6.1% by 2087



Rising cost as percent of GDP and Payroll

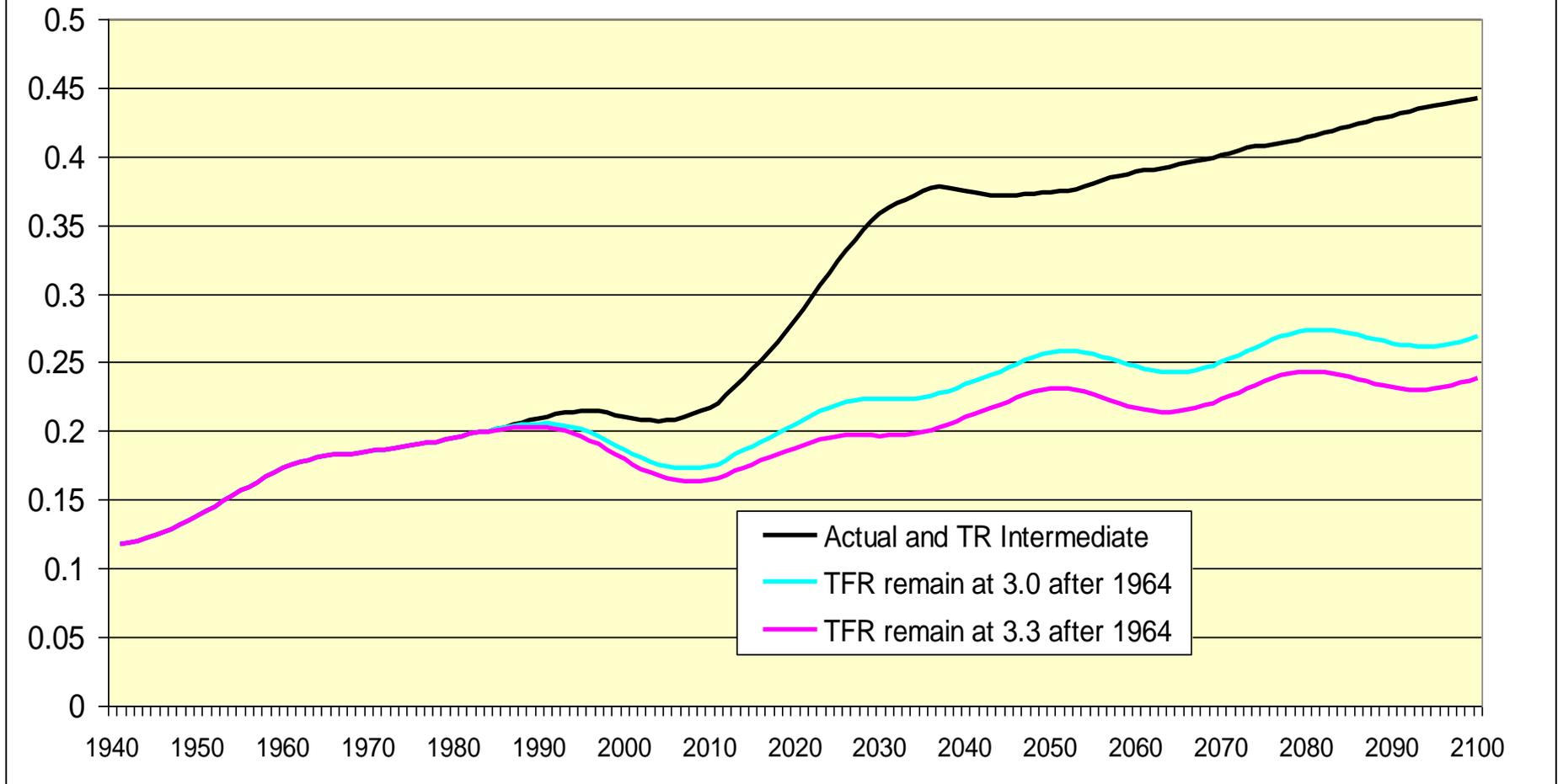
Aging population—increased DI cost 1990-2010, increasing retirement cost now through 2030-35



Aging (change in age distribution)

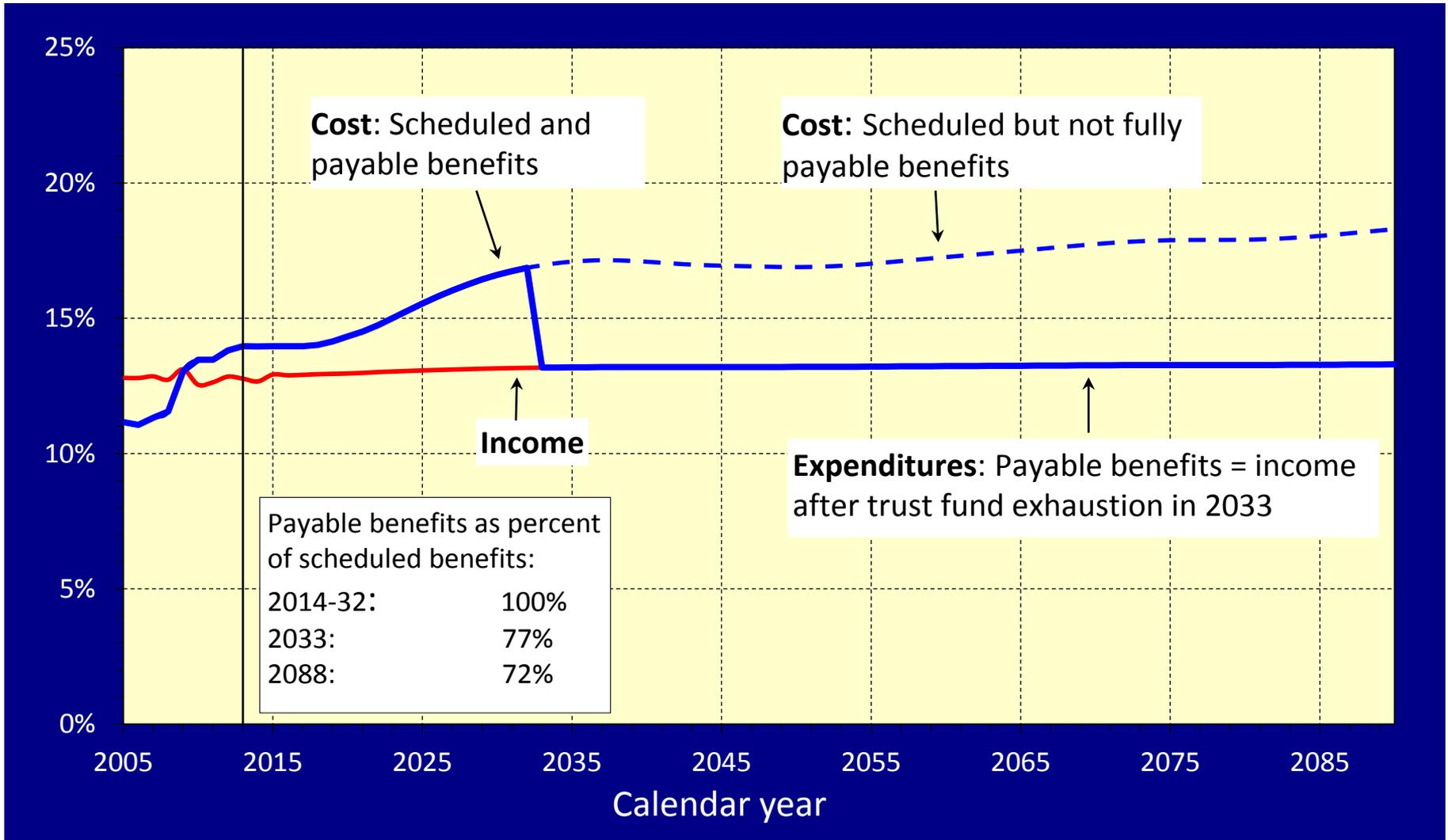
mainly due to drop in birth rates

Aged Dependency Ratio (Population 65+/20-64) 2012 TR



However, scheduled benefits NOT payable after 2033

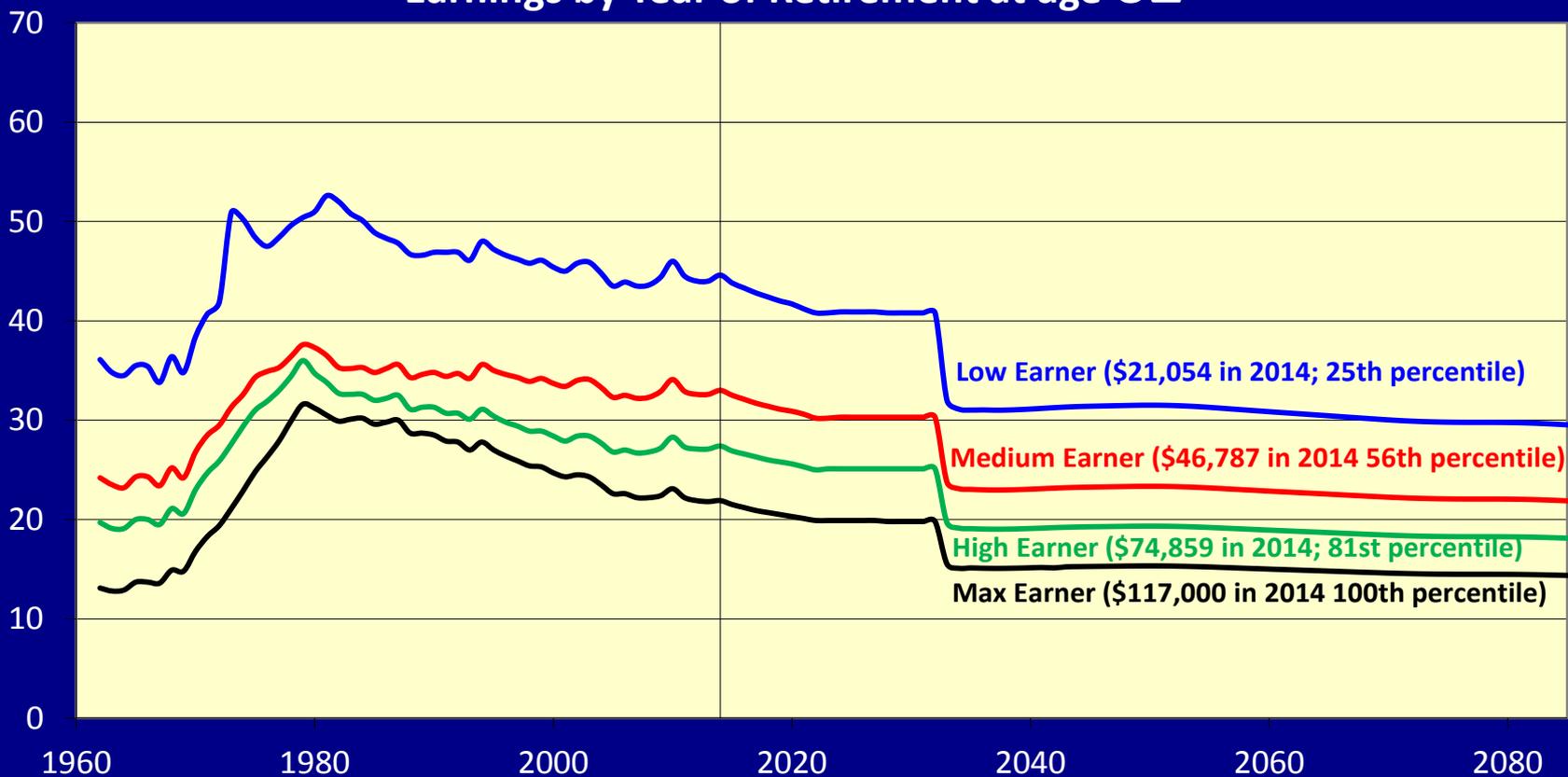
At reserve depletion, ONLY continuing income is available---no borrowing authority



Payable benefits under law, after Trust Fund reserves are depleted, suddenly drop

PAYABLE Monthly Benefit Levels as Percent of Career-Average

Earnings by Year of Retirement at age **62**



Source: Annual Recurring Actuarial Note #9 at www.ssa.gov/oact/NOTES/ran9/index.html

So--How to fix Social Security long-term?

- First: OASI help DI soon---*reallocate*
- Second: make choices for 2033-2088
 - Raise scheduled revenue by about 33%:
increase revenue from 4.6 to 6.0% of GDP
 - Reduce scheduled benefits by about 25%:
lower benefits to what 4.6% of GDP will buy
 - Or some combination of the two
 - Invest trust funds for higher return?
 - Limited help—it is a PAYGO world
 - So invest in coming generations of workers

Ways to Lower Cost

- Lower benefits for retirees—not disabled?
 - Increase normal retirement age
 - Can exempt long-career low earners
- Lower benefits mainly for high earners?
 - Reduce PIA above some level
 - Like progressive indexing
- Lower benefits mainly for the oldest old?
 - Reduce the COLA (chained CPI)
 - Some say increase it with the CPI-E (based on purchases of consumers over age 62)

Ways to Increase Revenue

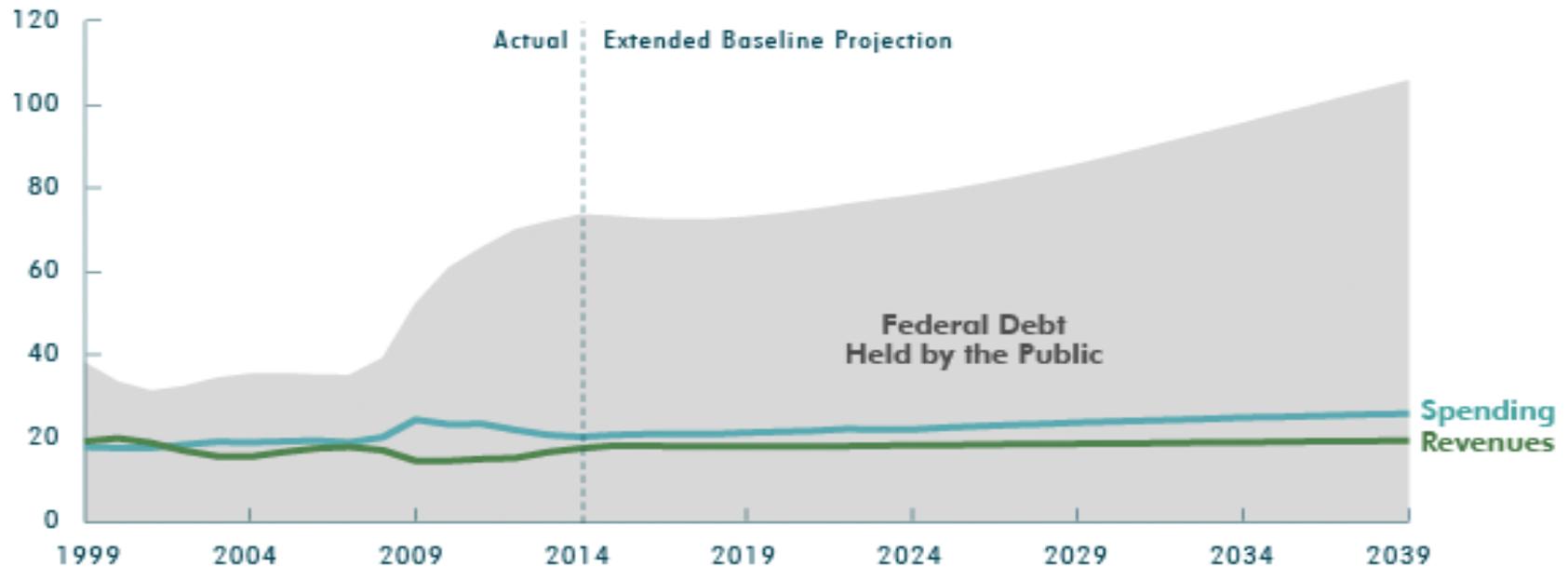
- Raise tax on highest earners?
 - Increase taxable maximum amount
 - Some tax on all earnings above the maximum
- Tax employer group health insurance premiums?
 - Affects only middle class if taxable maximum remains
- Maintain larger trust fund reserves?
 - Added interest can lower needed taxes

But, wait—how about Budget Scoring?

Don't entitlements just keep borrowing?

Debt Held by the Public, Total Spending, and Total Revenues

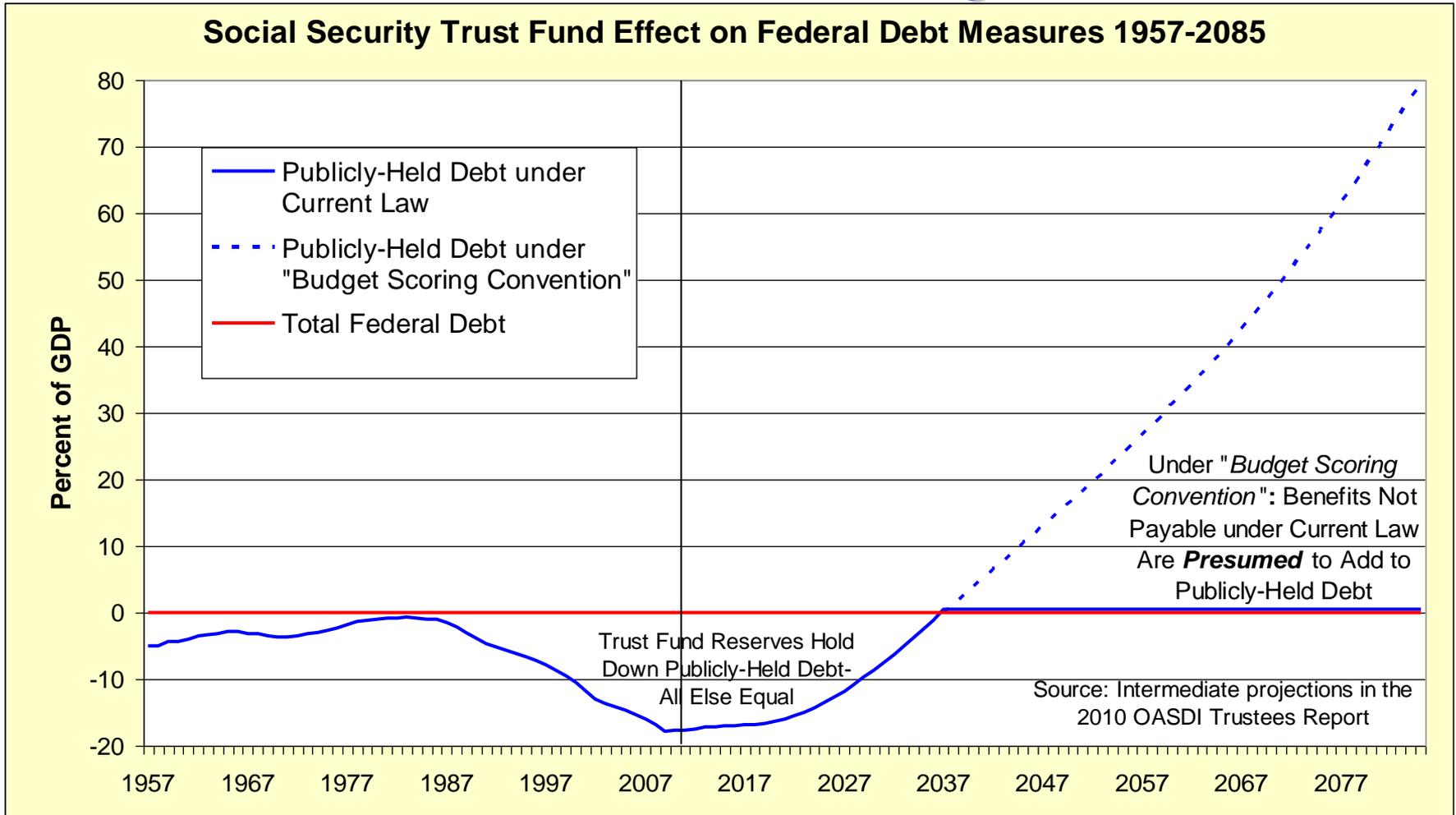
Percentage of Gross Domestic Product



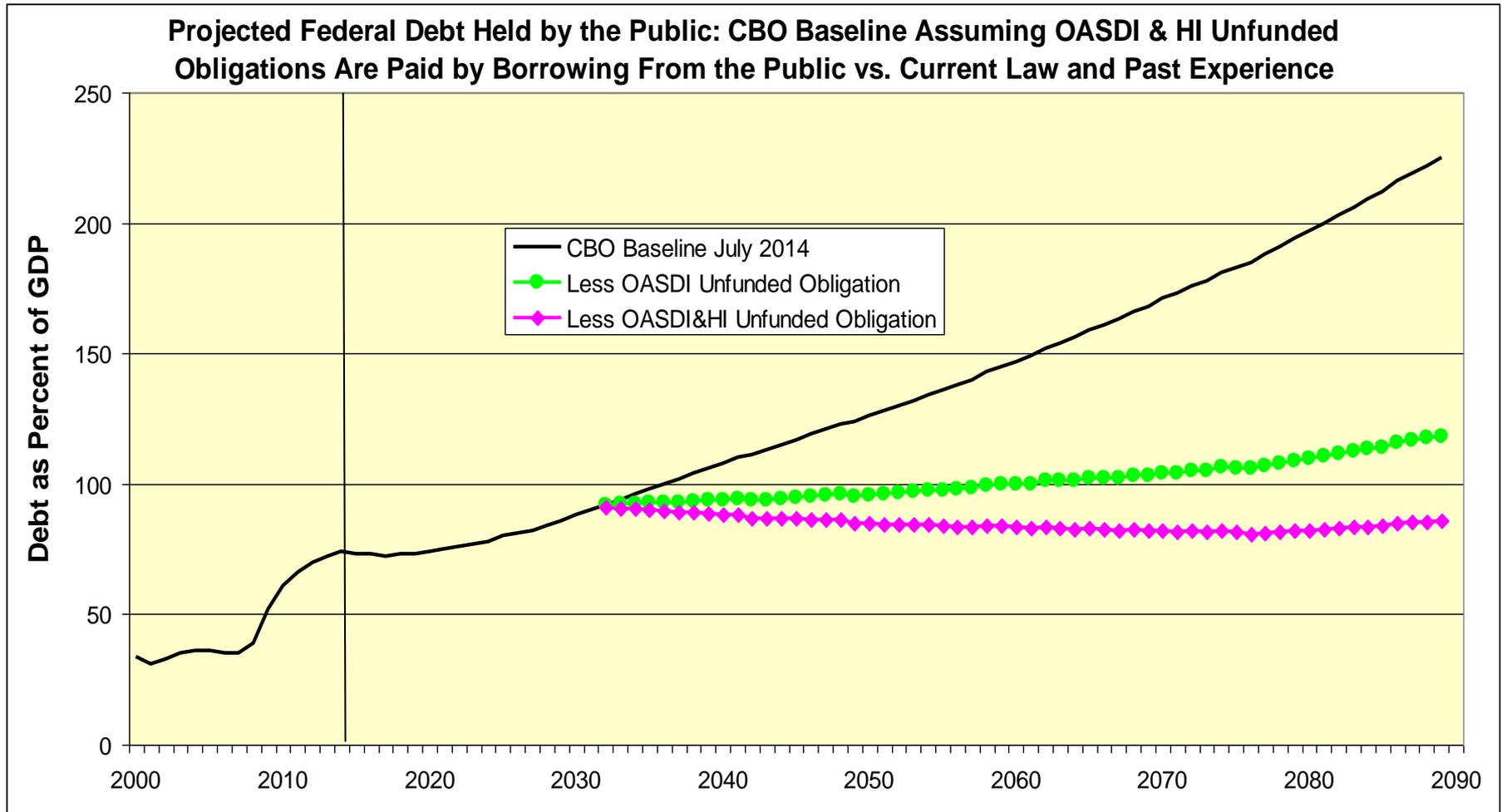
Actually, NO. Budget Scoring is inconsistent with the law, and all past experience.

- See Actuarial Opinion in the 2014 TR
 - 1) After reserves deplete, \$10.6 trillion unfunded obligation cannot be paid under the law.
 - *Budget deems these “expenditures” creating public debt*
 - 2) Reserve redemptions spend excess “earmarked” revenues invested in an earlier year.
 - *Budget deems these “a draw on other Federal resources”*
 - 3) Trust Fund operations have NO direct effect on total Federal debt subject to ceiling in any year—and no *net* effect on publicly held debt.
 - *Budget says redemptions increase Federal debt held by the public and often gives no credit for reserve accumulation*

Actual Trust Fund Operations Have No Effect on Total Federal Debt, and No Net Effect on Publicly-Held Debt



So—what if we project Federal debt consistent with the law?



The Bottom Line----

- Long-Term projections inform on Solvency
- If TF reserves were to deplete--
 - Full benefits cannot be paid timely
 - NO pressure on the Budget or Federal Debt
 - So Congress must and WILL act, as always
- Straightforward solutions-----
 - Added revenue soon for DI (before 2017)
 - Added revenue and/or lower cost for OASDI
 - Comprehensive changes *implemented* by 2033

For more information, go to
<http://www.ssa.gov/oact/pubs.html>

- There you will find—
 - This and all prior OASDI Trustees Reports
 - Detailed single-year tables for recent reports
 - Our estimates for comprehensive proposals
 - Our estimates for the individual provisions
 - Actuarial notes; including replacement rates
 - Actuarial Studies; including stochastic
 - Extensive data bases
 - Past Congressional testimonies

MEMORANDUM

To: Social Security Advisory Board
Subject: Representative Payee Research – Project Update
Date: July 16, 2015

Project Update

Over the course of the past month, SSAB staff have begun researching and collecting information on representative payees. This includes assembling and examining SSA data on rep payees & beneficiaries, researching and collecting relevant past reports and literature on rep payees, and scheduling meetings/conference calls to consult with various experts and rep payee related organizations. For information not easily accessible, Jeremy has sent requests to SSA for. Current outstanding requests include:

- Recommendations from the 2007 National Research Council report that SSA has implemented to date (if applicable);
- Information on appeal rights for beneficiaries who disagree with SSA's incapability determination; and
- Data on various characteristics of beneficiaries with payees (e.g. by impairment type, type of payee, beneficiary type, etc.)

In addition, weekly conference calls have been held to discuss research updates and project ideas with Board members involved with the project. Jeremy has been adding any new ideas that come up to the initial report outline and will continue to edit where appropriate.

October Symposium on Representative Payees

SSA has agreed to host a rep payee "symposium" at the agency's headquarters in Baltimore, on October 23 (the day of the October Board meeting). The symposium would be similar to what was held in Baltimore on the topic of CDRs in January 2014. Before the Board began to tackle CDRs and pulling together a panel of experts to research the issue, we had several discussions with SSA and quickly learned that they were broad – crossing over many different areas and amongst several components. It was decided that a full day meeting to discuss with the different components would be helpful. After initiating research on Rep Payees we believe that this issue is similar to CDRs in that it encompasses many different topic areas, such as SSA operations, systems, retirement & disability policy, appeals, and oversight. The plan is for the Board to meet with various components during the day, followed by a separate session with the Office of Inspector General (OIG).

OUTLINE FOR REPORT ON REPRESENTATIVE PAYEE PROGRAM

Program Growth – The Coming Tsunami

- Background on Rep Payee Program and Process
 - Who can be a Rep Payee? Individual vs. Organizational Payees
 - Selection Process and Responsibilities
 - Preference list
- Statistics on current Rep Payees & Beneficiaries
 - Payees/Beneficiaries by Program, Type of Payee, etc.
 - Most payees are family members
- Projected program growth → increased demand for Rep Payees in future
 - Projected growth in the aged population will account for most of this increase in demand (GAO/SSA)
 - Assigning Rep Payees to the current beneficiary population in the retirement program means new challenges for the agency.

Oversight & Monitoring Challenges

- Media reports of serious misuse and neglect
 - Henry's Turkey Service
 - Linda Weston (Philadelphia case)
 - Articles/stories re: challenges & shortcomings of SSA rep payee program
- Current monitoring processes and their disadvantages
 - Field Office (FO) procedures for handling workloads (Dorcas mentioned a “17 step process”), e.g. application, screening, reviewing, training, & appeals process for beneficiaries
 - SSA Annual Accounting Forms
 - Self-reported – not very effective at detecting mistakes or misuse
 - Periodic Reviews and Discretionary Reviews
 - Not enough are being reviewed – only about 2,300/year out of 6 million payees total
- The Need for Collaboration with other federal/state/local agencies
 - Recent collaboration with NDRN/P&As as a potential model
 - Comparative analysis for “best practices”
 - Domestic: VA fiduciary program, state courts (guardianship), state adult protective service agencies, state foster care agencies, etc.
 - International: UK (property and financial affairs lasting power of attorney), and other developed nations (e.g. Australia, Netherlands, Germany, etc.)
 - In addition, this section could compare the rep payee accounting and monitoring process for domestic SSA beneficiaries vs. international SSA beneficiaries.

The Need for Systems Modernization

- Current Rep Payee System (RPS) has a lack of integration with other systems (e.g. benefit payment systems)
- eRPS created in 2011 in response to Philadelphia case
 - Intended to improve RPS functionality and better track payee misuse
 - However, SSA employees in Seattle in 2014 reported that the project was underdeveloped and that the new systems were cumbersome and complicated to use and not in sync with one another

MEMORANDUM

To: Social Security Advisory Board
Subject: Overview of Primary SSA Components
Date: July 21, 2015

This memo provides an overview of Social Security Administration's organizational structure of how each office is organized and their functional responsibilities.

- I. **The Office of the Commissioner (OC)** is directly responsible for all programs administered by SSA; for State-administered programs directed by SSA; and for certain functions with respect to the black lung benefits program. It provides executive leadership to SSA. The Office is responsible for development of policy, administrative and program direction, program interpretation and evaluation, maintenance of relations with news media, research oriented to the study of the problems of economic insecurity in American society; and development of recommendations on methods of advancing social and economic security through social insurance and related programs.

- II. **The Office of the Chief Actuary (OCACT)** plans and directs a program of actuarial estimates and analyses pertaining to the SSA-administered retirement, survivors and disability insurance programs and supplemental security income program and to projected changes in these programs. Evaluates operations of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund; estimates future operations of the trust funds; conducts studies of program financing; performs actuarial and demographic research on social insurance and related program issues; and estimates future workloads. Provides technical and consultative services to the Commissioner, the Board of Trustees of those two Trust Funds, and, as requested, congressional committees. Appears before congressional committees to provide expert testimony on the actuarial aspects of Social Security issues.
 - A. **The Office of Short Range Estimates (OSRE)** is responsible for estimates for planning, directing and coordinating the development of short-range (10 years) cost estimates for all Social Security programs both under current provisions and proposed changes in law or regulation. The programs for which estimates are prepared include the retirement, survivors and disability insurance program, and the supplemental security income program. Develops special cost analyses involving technical actuarial issues; projects operations of the Trust Funds; provides a variety of data services including data collection, statistical support; and prepares estimates for general fund and interprogram reimbursement.
 - B. **The Office of Long Range Estimates (OLRE)** is responsible for planning, directing and coordinating the development of long-range (75 years) cost

estimates for the retirement, survivors and disability program both under current provisions and proposed changes in law or regulation. Provides all revenue estimates in both the near-term and the long-term for the retirement, survivors and disability insurance program and in the near-term for the hospital insurance program. Designs the economic, demographic and programmatic assumptions and the methods needed to develop these estimates; analyzes and publishes actuarial research based on projections and actual program experience; and provides authoritative advice to agency policy makers and congressional staffs relating to the long-range actuarial impact of current law and proposed program changes.

- III. **The Office of the Deputy Commissioner for Budget, Finance and Management (DCBQFM)** directs the administration of comprehensive SSA management programs including budget, acquisition and grants, facilities and supply management, and security and emergency preparedness. The Office directs the development of agency policies and procedures as well as the management of the agency financial management systems.
- A. **The Office of Financial Policy and Operations (OFPO)** has operational responsibility for SSA's accounting and payment operations and establishes requirements for all SSA financial systems and processes to ensure agency compliance with accounting principles and standards as prescribed by the Comptroller General and Chief Financial Officer of the United States. The Office also ensures agency compliance with fiscal policies and procedures prescribed by the Secretary of the Treasury, and management integrity and control standards prescribed by the Office of Management and Budget under the Federal Managers' Financial Integrity.
 - B. **The Office of Budget (OB)** provides overall management of the planning, development and execution of the SSA budget. The Office develops policies and guidelines for the exercise of SSA-wide budget responsibility, and evaluates and appraises the manner in which the agency carries out this responsibility. The Office also directs the agency's policies and procedure, as well as the management of the agency's competitive sourcing program.
 - C. **The Office of Acquisition and Grants (OAG)** is responsible for the SSA-wide acquisition and grants programs in support of the agency's mission and strategic goals. OAG directs the business management aspects of these activities, and develops and implements applicable policies, procedures, and directives.
 - D. **The Office of Facilities and Supply Management (OFSM)** directs the national SSA real property program including short- and long-range facilities planning. The Office manages the design, construction, and leasing of central office and large field facilities, maintenance, repair, and construction projects, and policy

development related to these operations and facilities. The Office also acquires, utilizes, and manages space at SSA headquarters and develops a comprehensive space inventory and utilization system. The Office develops, implements, and evaluates SSA's environmental protection and occupational health and safety programs. The Office ensures that these programs are responsive to the needs of the agency and serves as a focal point for inquiries and guidance concerning these programs. The Office also directs SSA's personal property and supply management programs, and manages the operation of SSA warehousing facilities including receipt, storage, and issuance of forms, publications, supplies, and equipment for SSA wide-use. In addition, the Office directs activities related to employee transportation including headquarters passenger and freight transportation services, equipment repair and carpentry, and mover services.

- E. **The Office of Security and Emergency Preparedness (OSEP)** directs SSA's nation-wide physical and protective security program. Functions include formulating, administering, and providing physical security policies and procedures, designing and maintaining the agency's national Personal Identity Verification process and databases, and issuing and controlling secure credentials for SSA personnel and property agency-wide. The Office also develops and issues security policy, procedures, and guidance for the Occupant Emergency Operations and Continuity of Operations Planning programs for SSA facilities nationwide. The Office is responsible for ensuring the safety of agency employees during emergencies.
- F. **The Office of Media Management (OMM)** directs SSA's comprehensive national printing, publications, distribution and mail management programs and develops pertinent agency policies, standards, and procedures for SSA's forms and publications management, printing, and distribution programs. The Office administers and maintains the SSA Library, History Room, and historical research program.
- G. **The Office of Quality Review (OQR)** reviews, evaluates, and reports on the integrity and quality of the administration of Social Security programs in headquarters and in the field. The Office conducts broad-based reviews, studies, and analyses of agency operations with emphasis on compliance with laws, regulations, and policies. The Office also establishes quality review policy for the BFQM field reviewers, analyzes and reports on results, and recommends changes in programs, policies, or legislation aimed at quality and productivity improvement and program simplification. The Office assesses the medical determinations made by the State and Federal disability determination components and decisions by the Office of Disability Adjudication and Review, including decisions by Senior Attorney Advisors and Administrative Law Judges. The Office evaluates the quality of the agency's operations with emphasis on the

prevention of program and systems abuse, the elimination of waste, and the increase of efficiency. The Office also performs customer surveys that measure the public's perceptions of the agency's service delivery and provides insights for agency planning. The Office leads the development and maintenance of the quality assurance systems that support nationwide studies and reviews.

- H. **The Office of Quality Improvement (OQI)** promotes the sharing of information across organizational boundaries that allows managers to make informed decisions and improves processes to reduce errors and improper payments. The Office provides a variety of services to agency management, including business process models, data analytics, geospatial visualizations, risk analyses, automated solutions, continuous improvement solutions, and statistical predictive models. The Office also identifies and addresses emerging quality issues based on data trends and root cause analysis and works with operating components to implement and facilitate quality improvements. The Office develops software and techniques that identify and correct errors, and provides automated assistance to technicians and managers. The Office also develops models that allow managers to assess the effect of business process or policy changes, and changes in staffing plans, provides sophisticated analysis on the probability of meeting agency goals and targets, and provides horizontal agency-wide data analytics based on authoritative data sources and geospatial visualizations. The Office supports the agency's data quality activities and manages updates, and designs quality selection models across operating components.
- I. **The Office of Anti-Fraud Programs (OAFP)** provides centralized oversight of and accountability for the agency's anti-fraud initiatives. The Office provides leadership and direction to SSA's anti-fraud framework, leads a comprehensive approach to agency fraud prevention, and aligns anti-fraud efforts with industry standards.

IV. **The Office of the Deputy Commissioner, Communications (DCComm)** is the SSA component responsible for the conduct of the Agency's national public information/public affairs (PI/PA) programs. Performs SSA Press Office function to ensure a unified and consistent message to SSA's many audiences. Provides guidance and direction from a PI/PA standpoint to the development of Agency policies and decisions and assesses their potential impact on the public and SSA employees. Creates, develops, facilitates, implements, oversees and evaluates all SSA communications and PI/PA activities, both internal and external. Cultivates and maintains effective working relationships with a wide range of national organizations, advocacy groups, other Federal agencies, State and local governments, the White House, and the media. Promotes full and open participation in the communications process between and among the public and SSA employees at all levels. Coordinates the non-English communications activities

within SSA. Additionally, responds to high priority correspondence and public inquiries; maintains an evaluation program that measures efforts to meet the communications needs of the public and SSA employees; produces PI/PA material designed to provide SSA's various audiences with timely information about Social Security programs, protections, rights and responsibilities and related issues; utilizes state-of-the-art media, methods and technology in product development and dissemination and fully supports headquarters and field employees who are directly or indirectly involved in SSA PI/PA activities nationwide. Responsible for assessing and offering improvements to agency notices. Leads the agency in fostering broader citizen participation through the use of emerging collaborative technologies.

- A. **The Press Office** responds to media inquiries relating to the Social Security and Supplemental Security Income programs. It prepares press releases and arranges press conferences for the national press corps.
- B. **The Office of Communications Planning and Technology (OCPT)** directs the Agency's overall information and communications technology activities to ensure full public knowledge and understanding of the programs administered by SSA. Formulates SSA's measures, objectives, policies, standards and guidelines for public information programs and related communications technology applications designed to inform the general public of the provisions of the programs administered by SSA. Prepares and disseminates a wide variety of internal and external PI/PA materials ranging from program pamphlets and information packets to broadcast quality video productions. Provides direct and indirect programmatic support through the use of state-of-the-art media, methods and technology. Evaluates the quality of all information materials used within and external to SSA to ensure a uniformly high-quality product and assists in the design, development and delivery of PI/PA training in SSA. Serves as a focal point for all issues involving the development, clearance and placement of content material on SSA's official Internet/Intranet websites. Responsible for the development, content, and coordination of SSA's internal and external Web marketing activities.
- C. **The Office of External Affairs (OEA)** implements PI/PA programs and activities designed to develop, enhance and preserve good working relationships with the general public and a wide variety of national organizations, advocacy groups and other governmental organizations with an interest in SSA programs. Manages SSA-wide communications initiatives through a national framework of headquarters, regional and local PI/PA delivery strategies and processes. Deals directly with SSA employees and major stakeholder groups promoting a meaningful exchange of ideas, opinions and points of view. Facilitates the ongoing operational dealings between these external organizations and SSA headquarters and field components involved in local PI/PA activities. Conducts

evaluation and assessment of the results and effects of PI/PA material produced by the Office of Communications and other SSA components. Provides operational oversight over the activities of the Regional Public Affairs Officers and all other national and local communications and public contact activities.

- D. **The Office of Public Inquiries (OPI)** provides a central receipt, control, acknowledgment, response and referral program for high priority and other inquiries addressed to SSA Headquarters. Develops correspondence policy and procedure and guide language on recurring topics and issues for use throughout the Agency.

- V. **The Office of Disability Adjudication and Review (ODAR)** administers the nationwide Disability Adjudication and Review program for the Social Security Administration (SSA). Provides the basic mechanisms through which individuals and organizations dissatisfied with determinations affecting their rights to and amounts of benefits or their participation in programs under the Social Security Act may administratively appeal these determinations in accordance with the requirements of the Administrative Procedure and Social Security Acts. ODAR includes a nationwide field organization staffed with Administrative Law Judges (ALJs) who conduct impartial hearings and make decisions on appeals filed by claimants, their representatives, providers-of-service institutions and others under the Social Security Act. The Appeals Council of ODAR impartially reviews ALJ decisions, either on the Appeals Council's own motion or at the request of the claimant, and renders the Commissioner's final decision when review is taken. Reviews new court cases to determine whether the case should be defended on the record or the Commissioner should seek voluntary remand, and reviews final court decisions in light of the programmatic and administrative implications involved and makes recommendations as to whether appeal should be sought. Provides advice and recommendations on Social Security Administration (SSA) program policy and related matters, including proposed Social Security Rulings.

- A. **The Office of Appellate Operations (OAO)** consists of the Appeals Council and its support staff. In accordance with a direct delegation of authority from the Commissioner of Social Security, the Appeals Council is the final level of administrative review under the Administrative Procedure Act for claims filed under Titles II and XVI of the Social Security Act, as amended. The Executive Director of OAO is the Deputy Chairperson of the Appeals Council and is responsible for the day-to-day operations of a program of administrative review of ALJ decisions issued under the provisions of the Social Security Act. Upon claimant request or on the Appeals Council's own motion, reviews ALJ decisions and dismissals involving claims for benefits filed under Titles II and XVI of the Social Security Act, as amended. The Appeals Council may identify cases that raise important questions of law or policy, and conduct oral argument before

issuing decisions in such cases. Based upon its review of these or other cases, the Council may establish binding adjudicatory standards and decisional principles that govern ODAR's adjudicatory process. Tracks and analyzes court case trends and disseminates information to guide adjudicators with respect to case law, to implement an effective appeals strategy, and to identify areas and make recommendations as to policies which need to be developed and/or clarified, new regulations which need to be developed or clarifying legislation that should be sought. Also administers the congressional and public inquiries activities for ODAR.

- B. **The Office of Executive Operations and Human Resources (OEOHR)** provides executive support to the Deputy Commissioner and Assistant Deputy Commissioner for all issues pertaining to high-level audits conducted by Government Accountability Office (GAO), the Office of the Inspector General (OIG), and other external organizations; training and professional development; performance management; ethics program; human resources development, and in collaboration with the Office of Labor Management and Employee Relations (OLMER), labor management and employee relations for ODAR Headquarters and field offices nationwide. Facilitates the processing of appointments and extensions of senior administrative law judges. Manages an effective performance management program, ensuring fair and equitable treatment of all employees. Manages Ethics program for ODAR, including reviewing outside activity requests, monitoring mandatory ethics training and financial disclosures, and advising on matters involving potential conflicts of interest. Manages ODAR training and professional development programs nationwide. For all areas within its purview and areas of responsibility, assesses trends and identifies areas requiring improvement to enhance the quality and effectiveness of programs in ODAR Headquarters and field offices nationwide, and exercises authority for these functions. Manages ODAR's progress towards meeting established Agency initiatives in areas of responsibility and makes recommendations for needed adjustments to enable ODAR to meet these goals.
- C. **The Office of Budget, Facilities and Security (OBFS)** provides executive support to the Deputy Commissioner and Assistant Deputy Commissioner for all budget, finance and acquisitions; facilities and other materiel resources; and security activities and issues for ODAR. Has responsibility, accountability, and authority for these activities for ODAR Headquarters' components and the field, including regional and hearing offices nationwide. Serves as the ODAR lead for planning, developing and executing ODAR's budget and financial management programs. Represents ODAR on competitive sourcing issues including the Federal Activities Inventory Reform (FAIR) Act. Provides oversight and leadership for the Advanced Procurement Plan (APP) for ODAR Headquarters

and its field offices. Serves as ODAR's point of contact for micro-purchase and component planning coordination, ratifications over \$500.00, and liaison with the Office of Acquisition and Grants (OAG) for national acquisition issues. Plans, directs, and coordinates the administrative support services (materiel resources) program for ODAR. Provides oversight and leadership of ODAR's nationwide physical and systems security operations, including physical security, protective security, classified information security, and civil defense. Responsible for coordinating and integrating budget, facilities, materiel resources, and security programs and initiatives for ODAR into SSA's long-range goals, objectives, and performance metrics. Monitors ODAR's progress toward meeting established Agency goals and makes recommendations for needed adjustments to enable ODAR to meet these goals. Identifies areas requiring improvement to enhance the quality and effectiveness of areas within its line authority and assesses trends in these areas and applicability to usage and functionality within ODAR.

- D. **The Office of Electronic Services and Strategic Information (OESSI)** provides executive support to the Deputy Commissioner and Assistant Deputy Commissioner for all issues pertaining to the integration of ODAR's electronic disability initiatives into ODAR's business processes. Serves as the Agency executive lead in developing ODAR's automation initiatives protocols and information technology strategy consistent with SSA's systems architecture. Is the primary point of contact for all ODAR management information issues and acts as the official source for the production and interpretation of ODAR management information. Monitors ODAR's progress towards meeting established Agency goals and makes recommendations for needed adjustments to enable ODAR to meet these goals. Plans, directs, administers and/or evaluates electronic initiatives, automation support, information technology and management information activities for ODAR nationwide. Identifies areas requiring improvement to enhance the quality and effectiveness of areas within its line authority and assesses trends in these areas and applicability to usage and functionality within ODAR.
- E. **The Office of the Chief Administrative Law Judge (OCALJ)** directs a nationwide field organization consisting of 10 regional offices, 168 hearing offices (including 6 satellite offices), 5 national hearing centers, and 2 national case assistance centers. Hearing sites are staffed with ALJs who conduct impartial "de novo" hearings and make decisions on appealed agency determinations. Each year, more than 1,300 ALJs render over 700,000 decisions at the hearing level.

- VI. **The Office of the General Counsel (OGC)** advises the Commissioner on legal matters, is responsible for providing all legal advice to the Commissioner, Deputy Commissioner, and all subordinate organizational components (except OIG) of SSA in

connection with the operation and administration of SSA. Responsible for the policy formulation and decision making related to the collection, access, and disclosure of such information in the records of the Social Security Administration; and processing of Freedom of Information requests and appeals (under the Freedom of Information and Privacy Acts).

- A. **The Office of General Law (OGL)** provides all legal services to the Commissioner and every Headquarters component of the Agency on all non-program legal issues affecting the Agency's operations and employees.
- B. **The Office of Program Law (OPL)** is responsible for providing a full range of legal services and advice (including administrative and court litigation) to the Social Security Administration (SSA) related to the operation and administration of its various programs under the Social Security Act. OPL is responsible for drafting and/or reviewing SSA regulations, Federal Register materials, and legal instruments within OPL's areas of jurisdiction; proposals for legislation and specifications for such proposed legislation; reports and letters to congressional committees, the Office of Management and Budget, and others on proposed legislation and legislative matters and proposed testimony of SSA officials before Congress. OPL also coordinates program litigation strategy nationwide and is responsible for comprehensive analyses of litigation trends. OPL represents SSA, in concert with the Department of Justice, in litigation challenging its policies and procedures, the constitutionality of provisions of the Social Security Act, and benefit claim determinations.
- C. **The Office of Privacy and Disclosure (OPD)** develops and interprets SSA policy governing the collection, use, maintenance and disclosure of personally identifiable information under the Privacy Act, section 1106 of the Social Security Act, section 6103 of the Internal Revenue Code and related privacy statutes and regulations. OPD also develops national guidelines and assists in policies related to requests for information made under the provisions of the Freedom of Information Act (FOIA). It develops national standards relating to the release and exchange of personal data in SSA databases to Federal, state, and local agencies, and serves as the Agency's focal point for all programmatic data sharing activities with outside organizations. It ensures Agency-wide sensitivity to the importance of privacy considerations in all situations involving disclosure of SSA data about individuals and ensures necessary privacy protections are built into new systems and processes developed to deliver more efficient service to Agency customers. In this capacity, it serves as the Agency's focal point for conducting and preparing Privacy Impact Assessments under the E-Government Act of 2002. It reviews Agency projects and initiatives to ensure compliance with the Privacy Act and related laws and regulations. It examines public service issues related to handling various information requests from the public. It acts on Privacy Act and FOIA

appeals. It directs FOIA activities in SSA, develops SSA's FOIA policies and procedures, prepares the Annual Report to Congress on these activities, and reviews requests and determines whether records are required to be disclosed to members of the public.

VII. **The Office of the Deputy Commissioner, Human Resources (ODCHR)** directs the administration of comprehensive SSA human resources programs including: human capital and planning initiatives, personnel management, labor management relations, employee relations, civil rights and equal opportunity, and training.

- A. **The Executive and Special Services Staff (ESSS)** develops and implements all SSA policies and activities relating to the Agency's executive level personnel management program. Recruits for and places individuals in positions in the Senior Executive Service (SES) in accordance with OPM regulations. Provides staff support to the Executive Resources Board in administering a systematic program to manage SSA's executive and professional resources and ensuring the appropriate selection of candidates to participate in official executive development programs. Provides staff support to the Performance Review Board in reviewing performance plans and subsequent appraisals of career and non-career executives in SES and employees in equivalent level positions.
- B. **The Office of Personnel (OPE)** directs a comprehensive SSA personnel management program. It develops, implements and maintains fully integrated and coordinated personnel policies and procedures responsive to the needs of SSA. OPE manages personnel programs that include: personnel policy and research, personnel data, position classification and organization management, job placement, employee counseling, personnel management evaluation, employee assistance services, personnel information planning, employee recognition, health services, workforce planning and evaluation, HR accountability and employee benefits including health and retirement. The office designs, and puts into practice, an SSA-wide program of Personnel Security and Suitability for employees and contractors, administers the SSA Drug Free Workplace program and directs the development and operation of SSA's Workers' Compensation program.
- C. **The Office of Labor-Management and Employee Relations (OLMER)** is directly responsible to the Deputy Commissioner for Human Resources for carrying out OLMER's mission and for providing general supervision to the major components of OLMER. The Office manages the SSA labor management relations program, including the development and evaluation of the program and the formulation of SSA-wide labor management relations policy.
- D. **The Office of Civil Rights and Equal Opportunity (OCREO)** is directly responsible to the Deputy Commissioner for Human Resources for carrying out

OCREO's mission and for providing general supervision to the major components of OCREO. The Office provides overall management of the SSA-wide programs of civil rights and equal opportunity, including the development of SSA-wide civil rights and equal opportunity policy.

- E. **The Office of Learning (OL)** is directly responsible to the Deputy Commissioner for Human Resources for carrying out OL's mission and for providing general supervision to the major components of OL. The Office manages and administers a national training program to enhance SSA's capability of providing effective and efficient service to the public. It develops and issues Agency wide policies, procedures and operational guidelines for the design, development, implementation, maintenance and evaluation of all SSA training activities. It directs the financial management of training monies to ensure accountability of money spent to train and develop the Agency's employees.

VIII. **The Office of the Inspector General (OIG)** is directly responsible for meeting the statutory mission of promoting economy, efficiency and effectiveness in the administration of Social Security Administration (SSA) programs and operations and to prevent and detect fraud, waste, abuse, and mismanagement in such programs and operations. To accomplish this mission, the OIG directs, conducts and supervises a comprehensive program of audits, evaluations and investigations, relating to SSA's programs and operations. OIG also searches for and reports systemic weaknesses in SSA programs and operations, and makes recommendations for needed improvements and corrective actions.

- A. **The Office of Investigations (OI)** conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in Social Security Administration programs and operations. This office serves as OIG's liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State and local law enforcement agencies.
- B. **The Office of Audit (OA)** conducts and supervises comprehensive financial and performance audits of SSA's programs and operations and makes recommendations to ensure that program objectives are achieved effectively and efficiently. OA also conducts short-term management and program evaluations, and other projects on issues of concern to SSA, the Congress, and the general public.
- C. **The Office of the Counsel to the Inspector General (OCIG)** provides independent legal advice and counsel to the Inspector General on a wide range of issues, including statutes, regulations, legislation, and policy directives. OCIG also administers the CMP program, imposing penalties and assessments and providing settlement and litigation of CMP cases. OCIG may impose civil

monetary penalties against violators of sections 1129 and 1140 of the Social Security Act.

- D. **The Office of Communications and Resource Management (OCRM)** directs all OIG external and public affairs activities and provides administrative, management, and IT support to the Inspector General and OIG components.

IX.

Mission The Office of the Deputy Commissioner, Legislation and Congressional Affairs (DCLCA) develops and conducts the legislative program of SSA, serves as the focal point for all legislative activity in SSA, analyzes legislative and regulatory initiatives and develops specific positions and amendments. The Office evaluates the effectiveness of programs administered by SSA in terms of legislative needs, and analyzes and develops recommendations on related income maintenance, social service and rehabilitation program proposals, particularly those which may involve coordination with SSA-administered programs, and on other methods of providing economic security. It provides advisory service to SSA officials on legislation of interest to SSA pending in Congress. It also provides legislative drafting to officials within the Executive Branch, congressional committees, individual Members of Congress and private organizations interested in Social Security legislation. It establishes and maintains a working relationship with all Members of Congress. It serves as SSA's information gathering and dissemination staff on congressional activities affecting SSA programs and handles certain claims and administrative matters that are particularly urgent or sensitive to Members of Congress.

- A. **The Office of Legislative Development and Operations (OLDO)** develops and evaluates legislative proposals for changes in the Social Security program. Reviews regulations dealing with the Social Security program including inter-program relationships to assure cross-program consistency with policy requirements and decisions. Reviews legislative proposals for consistency with existing program goals, philosophy and program requirements. Provides technical and advisory services to other agencies within the Executive Branch, congressional committees, State officials and private organizations having an interest in Social Security programs or emerging legislative issues. Provides analytical support on broad programmatic issues. Identifies and analyzes far-reaching economic, political and societal issues that impact/influence the development and modification of Social Security program policies and procedures. Collects, stores, and maintains information needed to respond to Congressional and White House inquiries. Tracks legislative history of the Social Security programs. Recommends methods for coordinating the protection afforded under the Social Security Act with that afforded under other public and private benefit programs. Maintains productive relationships with all members of

Congress on behalf of the Agency. Provides administrative, budgetary, and computer support and other assistance on the full range of their responsibilities.

- B. **The Office of Congressional Affairs (OCA)** serves as a consultant to the Deputy Commissioner, Legislation and Congressional Affairs with regard to establishing and maintaining effective congressional relationships. Focuses on legislative relationships for planning and coordination among Executive Branch offices/Agencies and Hill components. Establishes and maintains liaison functions with the White House, other Executive Branch Agencies, and Congressional offices. Networks with counterparts in other agencies to foster a coordinative approach to legislative strategy. Directs the activities of the Washington, D.C., DCLCA staff in carrying out activities related to liaison with the Hill and coordination with other Agencies.
- X. **The Office of the Deputy Commissioner, Operations (DCO)** directs and manages central office and geographically dispersed operations installations. It oversees regional operating program, technical, assessment and program management activities. It directs studies and actions to improve the operational effectiveness and efficiency of its components. It promotes systems and operational integration and defines user needs in the strategic planning process. It determines automation support needs for Operations components. It oversees the coordination and implementation of SSA's policies for the electronic delivery of Agency services to the public. This Office defines user concerns in the development of operational and programmatic specifications for new and modified systems, including the evaluation and implementation phases. When mutually agreed, provides support to the Office of Disability Adjudication and Review (ODAR) and/or specific State Disability Determination Services. Provides budget and management guidance for the disability claims activities as carried out by the State Disability Determination Services (DDS).
- A. **The Office of Public Service and Operations Support (OPSOS)** provides operations analysis, program support, service to the public and employee services for the Deputy Commissioner for Operations (DCO), and conducts studies and analyses. Provides broad operations support to FOs, TSCs, PSCs, and OCO. OPSOS also integrates operational delivery of public services under the RSDI, SSI and health insurance (HI) programs for domestic beneficiaries and delivery of RSDI program services for foreign beneficiaries. Provides broad operations support to the maintenance of activities associated with the overall effectiveness and efficiency of the DCO components. Coordinates and implements a comprehensive DCO nationwide program to focus on systems security and programmatic fraud. Directs and coordinates internal management support functions to ensure effective position management, workforce utilization, and management analysis and planning. Directs the overall DCO budget process.

Plans, implements, manages and assesses the interrelated duties of delivery of SSA program and related services to the public.

- B. **The Office of Telephone Services (OTS)** plans, implements, operates and evaluates SSA telephone service to the public delivered by way of the national 800 Number and SSA FOs. It plans and conducts studies, pilots and analyses of 800 Number and FO telephone operations to assess and improve the service provided. It provides direct support to 36 TSCs and approximately 1,300 FOs, including developing and communicating uniform operating policies and procedures. It maintains close, effective working relationships with SSA policy, program and administrative components, with other Federal agencies, and with vendors which have important roles in the delivery and evaluation of SSA telephone service to the public. It also manages SSA national 800 Number network operation, designs and administers call routing plans, continuously monitors call handling, and adjusts routing to handle emergency situations and to maximize call answering effectiveness and efficiency.
- C. **The Office of Central Operations (OCO)** provides executive direction and leadership for the nationwide establishment and maintenance of basic records supporting Social Security programs, foreign claims operations and OCO disability operations. It manages centralized records operations and a stand-alone data operations center (DOC). The Office receives and processes Social Security earnings reports from private and governmental employers and adjustments or corrections to posted earnings. The Office maintains Social Security enumeration and earnings records in various media and conducts an ongoing data exchange with the Treasury Department to compile and verify individual earnings data. It directs the OCO processing of claims under disability benefits programs and maintains beneficiary rolls. It directs the OCO initial adjudication and reconsideration of disability claims excluded from State agency jurisdiction and directs the OCO authorization of disability and auxiliary claims not authorized by Field Offices (FOs) at the initial, reconsideration and appellate levels. It determines whether and when eligibility or payments should be terminated, suspended, continued, increased or reduced in amount. It recovers or waives recovery of amounts incorrectly paid to beneficiaries. It directs the development, adjudication and authorization of payments or disallowance of claims for Retirement, Survivors and Disability Insurance (RSDI) benefits filed by persons in foreign countries; determines eligibility for Medicare on related claims; and determines entitlement to benefits based on international Social Security agreements. It serves as the liaison on operational issues which affect the administration of the United States Social Security program abroad, with the Department of State, other Federal agencies, agencies of foreign governments and private organizations. When mutually agreed, provides support to the Office of

Disability Adjudication and Review (ODAR) and/or specific State Disability Determination Services (DDS). It provides executive leadership and direction for the provision of personnel management and administrative support for all components within OCO. It maintains a broad overview of administrative operations to ensure effective coordination of all component activities.

- D. **The Office of Electronic Services and Technology (OEST)** is responsible for multiple high-level agency functions. OEST is the lead for SSA's development and implementation of electronic services. The organization also works with other Federal agencies on interagency electronic service delivery initiatives. In addition, OEST is responsible for integrating service delivery and employee concerns with modern technology. It determines and defines DCO requirements for software, hardware and electronic service delivery support. OEST directs user evaluations of new technology ensuring that technology considered for adoption meets DCO needs. It also coordinates all implementation activities. OEST develops, implements and administers evaluative tools for hardware purchases, software development and electronic service delivery. It ensures that the most recent appropriate technology is integrated into the operations of all DCO components.
- E. **The Office of Disability Determinations (ODD)** provides operational standards, instructions, operational and procedural advice, technical support, and management direction to headquarters, regional and field components and State agencies in support of the SSA-administered disability programs. Processes State agency workloads on a temporary or transitional basis and evaluates the impact of policy and procedural changes in State agency operations. **Phone: 410-965-1170**

- XI. **The Deputy Commissioner, Retirement and Disability Policy (DCRDP)** is the principal advisor to the Commissioner of Social Security on major policy issues and is responsible for all major activities in the areas of strategic and program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis and implementation. The Office of the Deputy Commissioner, RDP serves as the Agency lead spokesperson in presenting policy proposals and analysis within and outside the Executive Branch. The Office directs and manages the planning, development, issuance, and evaluation of operational policies, standards, and instructions for the Retirement and Survivors Insurance, Disability Insurance, Supplemental Security Income (SSI) program, and other SSA programs. The Office assists in achievement of consistency in program policy across programs administered by SSA. The Office is involved in analyses of legislative and regulatory specifications and budgetary impacts of legislation on programs administered by SSA. The Office produces, presents, supports, and publishes OASDI and SSI program data, statistics, research, analyses, and reports that detail trends and effects of the programs on recipients and potential recipients. It explains impacts of reform proposal options to enhance program provisions or solvency.

The Office develops and evaluates demonstrations and studies that support the policy development of SSA. The Office works with the Department of Treasury on issues of policy relating to the Federal Insurance Contributions Act and the Self-Employment Contributions Act, including such matters as definition of wages and implementation of laws. It manages a nationwide network of medical, psychological, and vocational experts who assist Administrative Law Judges (ALJs), the Decision Review Board (DRB), State Disability Determination Services(DDS) and the Office of Quality Performance(OQP) in making disability determinations and decisions. It directs formulation of Agency policy regarding related government programs that affect SSA programs and/or operations and negotiates related agreements with other agencies. It evaluates the effectiveness of national policies in meeting both short and long-term program goals. It provides executive level, enterprise wide oversight of all data exchanges (programmatic and non-programmatic), develops and approves policies and strategies for the agency's unified data exchange business process, and serves as the Co-Chair of the Data Integrity Board (DIB) Executive Steering Committee. It serves as SSA's focal point for international program policy matters and for its participation in the international Social Security community. The Office negotiates international "totalization" agreements with foreign governments.

- A. **The Office of Income Security Programs (OISP)** provides SSA-wide leadership and direction to the development, coordination and promulgation of Retirement and Survivors Insurance (RSI) and Supplemental Security Income (SSI) policies and procedures. It develops, coordinates, evaluates and issues the policies, standards and instructions for the RSI and SSI programs. The Office develops agreements with the States and other agencies that govern State supplementation programs, food stamps, and fiscal reporting processes. The Office of Income Security Programs is responsible for all aspects of SSA's policy process and the migration of RSI and SSI program services to the Internet.
- B. **The Office of Research, Evaluation and Statistics (ORES)** is a principal statistical unit of the U.S. federal government and is responsible for developing and conducting SSA's research and statistical programs regarding the Social Security retirement and disability programs and the Supplemental Security income program. This Office conducts broad analyses of major social and economic trends and their impact on Social Security and income assistance program policy. Topics of research include evaluation of income security, the effects of Social Security and income assistance programs on the economy, and the financing, and the adequacy of cash benefits. This Office plans and directs studies to evaluate the effects of proposed policy changes on individuals, the economy, SSA programs and the interactions among these programs, other tax and income-transfer programs, and economic, social and demographic forces. Short and long-term research on the disabled population, work incentives,

assessment tools, and impact of current and emerging medical technologies on SSA disability financing and income assistance programs are conducted by the Agency under the oversight of this Office. This Office is also responsible for designing, implementing and assessing the results of models that analyze the impact of present programs, program alternatives, and proposed changes in policy. This Office establishes linkages of SSA data with data from other statistical and record systems and prepares and manages administrative data systems to support research and analysis. It produces for public consumption a wide range of statistics on SSA programs and beneficiaries as well as earnings among workers in the economy.

- C. **The Office of Retirement Policy (ODP)** provides policy analysis and policy development in retirement and survivors insurance programs. This Office is responsible for the development of social insurance, financing and economic policy for the Agency. Conducts broad analyses of major social and economic trends and their impact on social insurance policies.
- D. **The Office of Data Exchange and Policy Publications (ODEPP)** provides executive level, enterprise wide oversight of data exchanges (programmatic and non-programmatic). Develops and approves policies and strategies for the agency's unified data exchange business process. Serves as the agency point of contact for data exchange proposals from external entities. Ensures that data exchange activities align with agency priorities, statutory requirements, and resources. Acts as the Co-Chair of the Data Integrity Board (DIB) Executive Steering Committee (ESC). Conducts research and analysis to identify areas and opportunities for continuous improvement. Provides broad strategic planning and vision for SSA's data exchange program. Provides expert advice and support to the Deputy Commissioner and Assistant Deputy Commissioner on the technology that supports Agency-level projects and initiatives that impact the Agency's policymaking processes. It provides user support to all its ORDP components. It directs all systems activities supporting the Agency's electronic programmatic instructional system.
- E. **The Office of International Programs (OIP)** serves as SSA's focal point for international program policy matters and for its participation in the international Social Security community. Negotiates international "totalization" agreements with foreign governments. These agreements promote foreign business investment. Formulates policies that determine how the SSA program operates in the foreign arena. Develops the policies that determine how our program operates worldwide. Processes citizens' requests for Certificates of Coverage. Represents our agency and our country at meetings of international social security organizations and in meetings with our counterparts at other Federal agencies.

Represents the views of the United States at meetings of international and social security organizations.

- F. **The Office Disability Policy (ODP)** plans, develops, evaluates and issues substantive regulations, policies and procedures for the SSA administered disability programs. Provides expert advice and supports SSA's disability determinations process. Develops and promulgates policies and guidelines for use by State, Federal or private contractor providers that implement the disability provisions of the Social Security Act, as amended. Evaluates the effects of proposed legislation and legislation pending before Congress to determine the impact on the disability programs and ensures that interrelated policy areas are coordinated. Provides medical reviews by medical consultant contractors for State Disability Determination Services, Federal disability adjudicators, the Office of International Operations, and the Federal quality review process.
- G. **The Office of Research, Demonstration, and Employment Support (ORDES)** provides broad program analysis and development in support of the Disability and Supplemental Security Income (SSI) programs and directs studies of program policy related to the development and evaluation of disability and SSI program initiatives and legislative and policy proposals. The Office plans, develops, evaluates, issues and administers operational policies that implement provisions in the Social Security Act and related statutes promoting or otherwise facilitating the employment of Disability Insurance and Supplemental Security Income Program beneficiaries with disabilities. Plans and directs a program to assess and evaluate beneficiary needs in the areas of rehabilitation and employment support. Provides operational advice, technical support and direction to central office, regional office and field components in the administration of employment support programs and policies. Implements legislation and analyzes the effects of policy and regulatory changes to determine the operational impact on employment support programs. Provides assistance in educating the public about disability program work incentives, rehabilitation, other forms of employment support and proposed program changes. Establishes and maintains relationships with parties interested in the employment of persons with disabilities. Engages in broad-based efforts in partnership with other public and private entities to remove employment obstacles encountered by disability program beneficiaries. Promotes process innovation and cooperation among its partners and stakeholders. The Office maintains awareness of issues concerning the broad program policy environment including Congress, the private sector and other government agencies, and ensures the Agency's policy and research agendas consider and reflect these points of view. Identifies trends in the SSI and the disability programs and compiles and analyzes data on various aspects of those programs. Designs, implements and evaluates demonstration projects to target special populations and

program issues. Researches and develops occupational information tailored for the Agency's disability programs; conducts studies and program analyses in light of the occupational information gathered. Formulates Agency policy regarding crosscutting programs or issues related to disability and/or income assistance programs and works with other agencies, including the Department of Health and Human Services, towards this end.

XII. The Office of the Deputy Commissioner/Chief Information Office, Systems (ODCS)

directs the conduct of systems and operational integration and strategic planning processes, and the implementation of a comprehensive systems configuration management, data base management and data administration program. Initiates software and hardware acquisition for SSA and oversees software and hardware acquisition procedures, policies and activities. Directs the development of operational and programmatic specifications for new and modified systems, and oversees development, validation and implementation phases. In addition, as the Chief Information Officer (CIO) participates as a member of the Federal CIO Council. The CIO is the focal point for SSA's application of the Clinger-Cohen Act IT management reforms. Responsible for managing SSA's IT investment process and assesses the performance of the agency's major IT investments. Manages and directs SSA's overall information systems security program.

- A. **The Office of Telecommunications and Systems Operations (OTSO)** directs, manages and coordinates the planning, acquisition, implementation, security, operation and maintenance of SSA's computer systems operations, and plans, implements and evaluates SSA's communications technology and systems. It directs and coordinates the transition, implementation and operation of current/ongoing operating systems support software, including diagnostic software. It is responsible for evaluating current and emerging communications technologies and for designing, acquiring, implementing, operating and maintaining new integrated telecommunications systems combining voice, data, video, facsimile and other SSA communications requirements. OTSO directs, manages and coordinates the planning, analysis, design, acquisition, implementation, operation and maintenance of SSA's existing telecommunications systems. It manages the telecommunications operations complexes located at the Central Office, Regional Offices and field sites. It is responsible for SSA's comprehensive voice communication management program. OTSO interfaces with other systems components in the transition and implementation of redesigned programmatic and administrative systems to progressively replace existing application systems. It manages the computer operations complex which processes SSA's programmatic support, administrative, management information and statistical application systems. OTSO conducts

continuing assessments and engineering analyses of the computer operations, as well as equipment performance analyses and coordinates the implementation of necessary improvements to existing resources. It directs and coordinates the activities associated with the planning, management, acquisition, procurement and renewal of ADP equipment, software and technical services for SSA to maintain operational systems and to prevent progressive deterioration. OTSO develops, controls and implements operational plans which include the preparing of technical specifications, evaluation criteria, acceptance test criteria, facilities engineering plans and budget estimates to maintain operational systems. It advises the Deputy Commissioner, SSA Executive Staff and external monitoring authorities such as the General Services Administration, the General Accounting Office, the Office of Management and Budget and Congress on SSA's computer systems operations.

- B. **The Office of Systems Electronic Services (OES)** directs the development of the SSA-wide mission critical software applications that support the Agency's Electronic Service Delivery (ESD) initiatives. It performs long range planning and analysis, and the design, development, implementation and maintenance of eGovernment solutions in support of SSA's social insurance and income maintenance programs. These applications will provide access to SSA services over such service delivery channels as the Internet, Extranet, 800# and direct service data collection channels. It provides a means for the public to have direct access to selected SSA services. It participates in the coordination of general systems requirements definition among key SSA stakeholders, and representatives of the user community. It maintains a comprehensive software engineering program that provides tools, and a software infrastructure in support of SSA's eGovernment development goals. It defines the agency standards for Internet software development. It conducts software validation and testing for all Internet software solutions required to run on, or extract data from, any of SSA's host processor's or its mission critical systems and creates the necessary ESD management information to satisfy SSA's global management information requirements.
- C. **The Office of Applications and Supplemental Security Income Systems (OASSIS)** directs, develops and coordinates information technology requirements, application programs and management information systems for new and modified systems in direct support of the SSI, Quality Assurance, Customer Help Information and Representative (Rep) Payee programs. OASSIS is responsible for most phases in the systems development life cycle. These responsibilities include determining automation solutions for user needs, developing software systems specifications, analyzing existing computer

applications, preparing recommendations (including costs and benefits of alternatives), software design and development, testing and validating systems, implementing security standards, documenting systems, accepting systems on behalf of SSA's user community and conducting post-installation evaluation. OASSIS is responsible for long-range planning and analyses to define new and improved systems processes for OASSIS in support of Agency needs and maintains a comprehensive, updated and integrated set of system requirement specifications and software programs. OASSIS implements systems required by new legislation, regulations and SSA policy directives. Based on input from users, OASSIS translates organizational information requirements and priorities into plans and, develops and maintains systems plans. OASSIS validates computer programs that are part of SSA's large, integrated, programmatic systems against user-defined requirements and performance criteria, and approves the resulting system for operational acceptance. It develops procedures and instructions to support user needs in effective implementation of all systems. OASSIS handles the oversight of the SSA functions for Program Management Health IT within SSA as well as external coordinating and collaborating.

- D. **The Office of Earnings, Enumeration and Administrative Systems (OEEAS)** designs, develops, and maintains SSA's earnings, enumeration and administrative systems. Responsibilities include the development of functional requirements for new systems and modifications to existing systems. The office evaluates the effect of proposed legislation, policies, regulations and management initiatives to determine the impact on these systems and develops information requirements and procedures as they relate to such legislation, regulations and SSA policy directives. It directs the coordination of user requirements with SSA central and regional operations to ensure that user needs are accurately captured and defined. The office develops automated solutions, including the procurement of commercial software products. It tests and validates software to assure that user requirements have been met, and conducts post-implementation reviews of new systems. The broad systems areas for which OEEAS is responsible include: enumeration (SSN) and verification, earnings establishment and employer data, integrity review and audit, work measurement, financial processing and accounting, human resource and payroll, a variety of workload control and tracking applications, and data exchanges with external entities.
- E. **The Office of Retirement and Survivors Insurance Systems (ORSIS)** is responsible for programmatic and management information systems which support the Nation's Retirement and Survivors Insurance program and Medicare enrollment, including initial claims, post-entitlement, payments, audit, integrity

review, Treasury operations and notices. ORSIS is also responsible for Post-entitlement activities associated with the Disability program. ORSIS designs, develops, coordinates and implements new or redesigned software to meet SSA's automation needs in the broad area of title II programmatic processes for such areas as earnings, eligibility/entitlement, pay/computations and debt management. The Office is responsible for long-range planning and analysis to modify existing systems and define new systems for ORSIS in support of the Agency's mission and operational and management information needs. It evaluates the effect of proposed legislation, policies, regulations and management initiatives to determine the impact on these systems and develops requirements and procedures to implement required changes. ORSIS is responsible for both programmatic and management information applications through each stage of the systems lifecycle, including: determining automation solutions for user needs; developing software specifications; designing and developing software programs; testing and validating systems against user-defined requirements; conducting post-implementation reviews; implementing security standards; and maintaining a comprehensive, updated and integrated set of systems requirements, specifications and software documentation. Procedures and instructions are developed to support users in effectively implementing all systems.

- F. **The Office of Disability Systems (ODS)** directs, develops, implements and maintains systems that support the agency's new and modified Disability and health insurance programs. ODS is responsible for all phases in the systems development life cycle up through and including validation. These responsibilities include determining automation solutions for user needs, developing software systems specifications, analyzing existing computer applications, preparing recommendations (including costs and benefits of alternatives), designing and developing software, testing and validating systems, implementing security standards, documenting systems, accepting systems on behalf of SSA's user community, implementing and installing new and modified systems and conducting post-installation evaluation. ODS is responsible for long-range planning and analyses to define new and improved systems processes in support of Agency needs and maintains a comprehensive, updated and integrated set of system requirement specifications and software programs. ODS implements systems required by new legislation, regulations and SSA policy directives. Based on input from users, ODS translates organizational information requirements and priorities into plans and, develops and maintains systems plans. ODS validates computer programs that are part of SSA's large, integrated, programmatic systems against user-defined requirements and performance criteria, and approves the

resulting system for operational acceptance. It develops procedures and instructions to support user needs in effective implementation of all Disability systems.

- G. **The Office of Information Security (OIS)** is responsible for managing and directing SSA's overall information systems security program. OIS develops, manages and provides oversight of functions for agency-wide IT security policies and procedures. OIS's robust IT security program includes: providing security including PII training and awareness and serving as a liaison to components and system developers; protecting the confidentiality, integrity, and availability of SSA's computer systems and information; identifying and implementing risk-based security controls; conducting compliance reviews, evaluating trends, and tracking security metrics to gauge compliance and effectiveness; analyzing risks, vulnerabilities and trends to identify threats and to identify solutions to mitigate threats; and identifying appropriate risk mitigation strategies to support SSA's evolving technology and business processes.

- XIII. **Office of the Chief Strategic Officer (OCSO)** works across organizational boundaries to infuse strategic thinking into the culture, promote innovation, and achieve program performance improvement by fostering coordination, as appropriate, among functional areas such as information technology, human resources, acquisition, financial management, and service delivery. Advises and assists the Commissioner and Deputy Commissioner to ensure that the mission and goals of the agency are achieved through strategic and performance planning; reporting; measurement; analysis; regular assessment of progress; and use of performance information to improve the results achieved. Reports to the Office of Management and Budget (OMB) on the progress we are making in achieving our priority goals and maintains the priority goal data on Performance.gov. Conducts quarterly data-driven reviews and monitors and reports on the progress achieved toward agency performance measures and agency priority goals. Advises the Commissioner and Deputy Commissioner on opportunities to collaborate with other agencies on common goals. Oversees agency strategic and performance planning. Ensures that agency progress toward achievement of all goals is communicated to leaders, managers, and employees in the agency and Congress and made available to the public. Serves as the agency Performance Improvement Officer. Assists the Commissioner and Deputy Commissioner in collaboration with the Chief Human Capital Officer and other agency managers in aligning personnel performance objectives, feedback, appraisals, recognition and incentives structures effectively to advance agency goals and priorities. Assists the Commissioner and Deputy Commissioner in collaboration with the Chief Financial Officer, in evaluating the efficient use of resources

across all agency activities, incorporating the use of performance information in budget preparation and execution. Assists the Commissioner and Deputy Commissioner in collaboration with the Chief Information Officer, in evaluating the efficient use of IT resources across all agency activities. Assists the Commissioner and Deputy Commissioner in making Social Security a more open Agency, using open government tools, techniques and the principles of transparency, participation and collaboration to advance the agency's strategic objectives.

A. **The Office of Performance Management and Business Analytics (OPMBA)**

collaborates with agency components to gather, analyze, and monitor agency performance data and accomplishments and provide quarterly updates to OMB on agency priority goals. Coordinates the development and promulgation of agency wide level planning documents and ensures that the agency's planning process is consistent with the requirements of the GPRA Modernization Act of 2010 and OMB Directives. Produces strategic documents and management information reports that provide timely, objective, and pertinent information regarding the agency's performance achievements and future program initiatives. Provides agency executives and external entities with strategic documents and management information reports to track agency's progress in meeting its strategic goals and objectives. Analyzes agency-wide plans and proposals to identify potential conflicts, synergies, and interdependencies with other plans, projects, and proposals. Supports data-driven decisions, tracks, monitors, and maintains agency-level management information, and performs complex data analyses resulting in comprehensive management information reports that highlight agency progress toward performance objectives and identify areas in need of improvement.

B. **The Office of Strategic Planning and Innovation (OSPI)** conducts long and short-range strategic planning activities and works across organizational boundaries to strengthen the agency's ability to think strategically and continually improve program performance by applying existing evidence that works, generating new knowledge, and using experimentation and innovation to test new approaches to program delivery. Ensures that the agency's strategic direction is aligned with program, policy, legislative, technical and operational planning, and implementation. Provides information, evaluations, and recommendations on all phases of the agency's strategic planning and implementation activities and processes for use in establishing priorities, allocating resources, and formulating management policies and agency initiatives.

C. **The Office of Open Government (OPG)** is responsible for fostering the transparency of agency operations, citizen participation and collaboration. OOG leads agency activities to develop, implement and track progress on plans to

make Social Security a more open agency. It identifies information of the greatest use to the public and assists agency components in making the information available in readily accessible formats. Serves as the agency lead for the government-wide Data.gov portal. Facilitates and encourages the use of emerging collaborative technology to foster broader citizen participation in government business.

XIV. Deputy Commissioner, Chief Technology (DCCT) provides leadership and direction for developing an enterprise approach to how SSA explores, develops and integrates new technology and IT solutions. The office leads the Agency strategy for technology direction, building a technology infrastructure roadmap to plan and design SSA technology platforms to support the Agency's 2025 vision, which includes leading and balancing technology change with SSA service delivery reliability. OCT supports the Administration's Digital Government Strategy to deliver better services to customers at a lower cost. The office is responsible for supporting the SSA Chief Information Officer (CIO) in complying with IT management-related legislation such as the Clinger-Cohen Act of 1996, the E-Government Act of 2002 (eGov Act), and the Federal Information Technology Acquisition Reform Act of 2014 (FITARA), and other IT management policy and guidance promulgated by higher monitoring authorities such as the Office of Management and Budget (OMB) and the General Accountability Office (GAO).

A. **The Office of Digital Services (ODS)** works with diverse groups of stakeholders across the Federal government to improve the digital services that government delivers to citizens and business based on quantitative and qualitative assessments of user needs. The office provides expert advice and guidance for software development methodologies, user interface design and implementation, web application design and architecture, computer operations, systems infrastructure, database systems, and/or computer hardware. ODS provides guidance to the Agency on industry best practices, systems policy and proposals and the development of strategies to ensure that Agency IT projects are meeting their objectives for a more effective user interface for customer- or business-facing applications.

B. **The Office of Enterprise Support, Architecture and Engineering (OESAE)** identifies and provides strategic information technology resources needed to support SSA business processes and operations and the transition processes for researching, demonstrating and implementing new technologies in response to the Agency's strategic vision. It directs the development of SSA's Enterprise Architecture, provides leadership and support for Agency IT Governance and value measurement and assures that the associated standards and procedures are followed to improve the Agency's Programmatic and Management Information/Administrative systems environment. The office directs SSA's data

administration program to ensure data integrity/quality/standards and maintains meta data information about the Agency's Programmatic and Management Information/Administrative data stores. The office directs SSA's database integration and data access activities to improve the administration of the Agency's Programmatic and Management Information/Administrative databases and to implement modern database management systems technology. OESAE directs a comprehensive information technology architecture program to modernize the Agency's infrastructure and establishes enterprise policies for the management of all hardware and software. The office designs, develops and implements the architectures used to manage the storage and routing of document images along with the retention information for these electronic images as they relate to official Agency claims file records. OESAE reviews legislative proposals and monitors the implementation of legislation for Systems. The office manages the development and implementation of standards, methods and procedures for software planning, tracking, requirements, design, development, validation and change control. OESAE plans and administers multi-platform enterprise software development facilities to support applications development and validation personnel. The office designs, develops, implements and maintains automated test methods, test data systems and test utilities for systems-level functional and user acceptance testing of programmatic, administrative and management information systems. It provides support for program/project management and control. OESAE develops security requirements and standards for applications, user access controls, and conducts independent security validation and verification to ensure that the requirements have been properly integrated and are functioning as intended. The office manages a comprehensive technical and project management training program to ensure Systems staff can meet technological challenges and regulatory requirements. OESAE directs the Agency's implementation and management of Service Oriented Architecture, and designs, develops and maintains the architectures to support the content formatting, composition, delivery format and language management for correspondence communications. The office manages SSA's Infrastructure Portfolio which supports the Agency IT planning process and programs.

**CURRENT PROJECTS FOR FY 15 & FY 16
PROJECTED DATES FOR BOARD REVIEW**

FY 2015

OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT
									WEP	It's Broken	SSI Children
									SSI Simplification		Tech Panel
									UI/DI		Disability Solvency

FY 2016

OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT
Retirement Security		GPO	History Rpt								
			2015 Annual Rpt								

CURRENT and PROPOSED BOARD PROJECTS

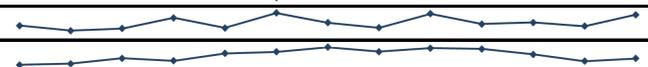
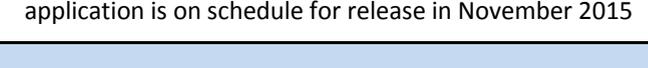
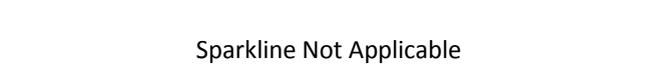
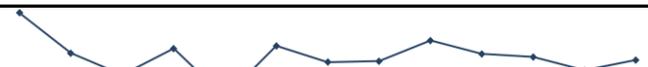
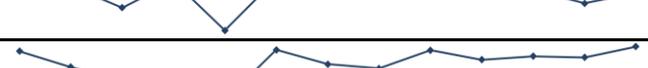
#	Project Name	Short Description of Current Project	Board Members	Status	Date for Board Action
Immediate Action by Full Board Needed					
1	WEP	Position paper - Congress needs to change formula so actual earnings data can be used starting in 2017. SSA needs to communicate this change in outreach effort and through <i>MySSA</i> .	Alan Dorcas	In Draft - incorporating Board comments	July 2015
2	SSI Simplification	Paper will look at In-Kind, Maintenance and Support and asset limitations.	Entire Board	In Draft	July 2015
3	It's Broken: SSA's Complicated Process of Paying Attorney Fees	Outlines the current fee agreement and fee petition payment process - how complicated and time consuming it can be.		In Draft	August 2015
4	UI/DI	Analysis of legislation pending in House and Senate.	Entire Board	In Draft	July 2015
Board Approved Projects Currently in Draft - With Staff					
5	Retirement Security - Planning for an Unknown Future	A review of retirement security issues.	Dorcas Barbara	New Outline	October 2015
6	SSI Children	Combine 2013 and 2014 SSI reports on children.	Lanhee Bernie	Research and Rough Draft Started	September 2015
7	"We Can Work it Out" Solvency Options for the Disability Trust Fund	Review of options to address solvency.	Jagadeesh Alan	Research and Rough Draft Started	September 2015
8	GPO	A review of options to reform Social Security's GPO rules.	Alan Dorcas	In Draft	December 2015
9	Tech Panel	Independent Panel	Henry	Meetings	September 2015
10	History of the Board Report	History of the creation of SSAB and how the agency has evolved over the years	Entire Board		January 2016
11	2015 Annual Report	Summary of 2014 activities			February 2016
Ongoing Projects					
12	ChartBook/Chartbook Paper Update	Update all of the charts in the Chartbook on the Website and the paper version			

CURRENT and PROPOSED BOARD PROJECTS

#	Project Name	Short Description of Current Project	Board Members	Status	Date for Board Action
13	ALJ Hiring Process at OPM	Continue to work behind the scenes on changing how OPM hires ALJs - prepare background material for meetings with Hill Staff		Congressional material being put together	
Possible New Reports and Projects for Now or Sometime in the Future					
14	Old Debts	Collection of old debts.		Following the issue	
15	Death Master File	Issue brief in draft on DMF issue.		In Draft	
16	Service to the Public	Compilation of comments from employees (during site visits) and the general public.		Rpt or Ltr to Coss and Congress	
17	ALJ Model Rules	In a recent meeting with the ALJ Union they have indicated it would be helpful to them to have model rules of procedure. They drafted some in 2003 which we are waiting to receive.		Setting up meeting with experts	
18	Survivor's Benefits	SSAB has not done a survivor's report in the past. Listing of issues such as overpayments and kids losing survivor benefits at age 19 after high school.		Listing issues	

May 2015
Agency Tracking Report
 (67.3% through FY 2015, 5 Week Operating Month)

*FYTD Status	Performance Measures	Month of May 2015	FYTD 2015	**FY 2015 Target	Percent of Target	Charts and Sparklines by Month for Rolling 13 Months
AGENCY PRIORITY GOALS						
	Online Services - Total Online Transactions Baseline: 70,768,624 as of FY 2014, Target = 10% Increase	7,682,035	59,651,241	77,845,486	76.6%	
	Video Hearings Held This is a portion of the Hearings - Hearings Held total. The Fiscal Year Target percentage is calculated in relationship to the Hearings Held.	15,039	103,841	30%		
		27.28%	27.38%			
	<i>my Social Security Accounts Established</i> Baseline: 6,138,178 as of FY 2014, Target = 15% Increase	564,293	4,705,857	7,058,905	66.7%	
	SSI Improper Payments Combined Error Rate FY 14 Overpayment Accuracy = 93.0% FY 14 Underpayment Accuracy = 98.5%	8.5% (as of FY 2014) 7.0% (as of FY 2014) 1.5% (as of FY 2014)	N/A	≤ 6.2%	N/A	Sparkline Not Applicable

*FYTD Status	Performance Measures	Month of May 2015	FYTD 2015	**FY 2015 Target	Percent of Target	Charts and Sparklines by Month for Rolling 13 Months
ONLINE SERVICES						
	Claims Filed Online	334,107	2,465,488			
		51.9%	54.5%			
	Retirement - Online Claims	124,298	956,441			
	% Online to Total	51.1%	53.4%			
	Disability - Online Claims	122,196	878,686			
	% Online to Total	48.9%	52.0%			
	Spouses - Online Claims	11,032	81,449			
	% Online to Total	23.8%	25.5%			
	Medicare - Online Claims	76,581	548,912			
	% Online to Total	73.4%	75.6%			
	Customer Satisfaction with Our Online Services	84%	84%	80%	N/A	
		(Jan15-Mar15)	(through Mar15)			
	Expand services under my Social Security with SS# Replacement Card Application	Complete development and begin testing of the online SS# Replacement Card Application				FYTD Status at end of Q2: Replacement Social Security Card application is on schedule for release in November 2015
PROGRAM INTEGRITY						
	OASDI Improper Payments Combined Error Rate	99.4%				Sparkline Not Applicable
		(for FY 2014)				
	FY 14 Overpayment Accuracy = 99.5%	99.5%	N/A	≥ 99.8%	N/A	
	FY 14 Underpayment Accuracy = 99.9%	99.9%	N/A	≥ 99.8%	N/A	
	SSI Non-Medical Redeterminations Completed [Counts Include Scheduled, Unscheduled and Targeted (Limited Issue) Redets]	210,175	1,730,060	2,255,000	77%	
	Full Medical CDRs Completed	82,443	569,231	790,000	72%	
	Periodic CDRs Completed	217,947	1,301,627	1,890,000	69%	
	Redesign Our Earnings System to Improve the Accuracy and Timeliness of Earnings Data Used to Calculate Benefits	Implement the Redesigned Functionality to Process Forms W-2 within the Annual Wage Reporting System by 9/30/2015				Met the FY 15 and FY 16 targets as of Q2-Redesigned the software process Forms W-2 and Forms W-2c (Corrections) within the Annual Wage Reporting system (AWS)
	Enhance Our Security Features and Business Processes to Prevent and Detect Fraud Baseline: FY13	Increase my Social Security Potential Fraud Referrals through Public Facing Integrity Review System to the Office of Operations by 10%				FYTD Status at end of Q2: Performance is ahead of expectations 8,945 (86% of goal) already achieved of the our expected potential fraud referrals at mid-year

*FYTD Status	Performance Measures	Month of May 2015	FYTD 2015	**FY 2015 Target	Percent of Target	Charts and Sparklines by Month for Rolling 13 Months
FIELD OFFICE						
	Initial DIB Claims Receipts	354,791	2,993,183			
	Initial DIB Claims Completed	442,035	3,091,473			
	Initial DIB Claims Pending	934,092	934,092			
	Retirement, Survivors, and Medicare Claims Completed	505,106	3,581,704	5,247,000	68.3%	
	Social Security Numbers Completed	1,511,426	10,722,557	16,000,000	67.0%	
	Annual Earnings Items Completed	17,937,391	243,836,437	257,000,000	94.9%	
	Social Security Statements Issued Target = Total of Public Requested and SSA Initiated Statements	3,792,898	27,137,601	44,000,000	62%	
		(Apr 15)	(thru Apr 15)			
	Minimize Average Response Time to Deliver Medical Evidence to Dept. of Veterans Affairs (VA)	Deliver Medical Evidence within an Average of 5 Business Days				FYTD Status at end of Q2: Increased federal data exchange partnerships from 7 federal agencies in FY 2014 to 18 federal agencies
DDS LEVEL						
	Initial DIB Claims Receipts	279,338	1,839,779	2,755,000	66.8%	
	Initial DIB Claims Completed	263,039	1,780,509	2,767,000	64.3%	
	Initial DIB Claims Pending	682,347	682,347	621,000		
	Average Processing Time for Initial Disability Claims (Days)	114	115	109		
	Initial Disability Cases Identified as a QDD/CAL	6.8%	6.9%			
		17,975	120,553			
	Initial Level Disability Cases with Health Information Technology Medical Evidence (HIT MER)	16,667	99,236	6%	93.2%	
	Initial DIB Net Allowance Accuracy (Rolling Quarter)	99%	99%			
		(thru Feb)	(thru Feb)			
	Initial DIB Net Denial Accuracy (Rolling Quarter)	97%	97%			
		(thru Feb)	(thru Feb)			
	Initial DIB Net Accuracy Rate (Combined Allowances and Denials - Rolling Quarter)	98%	98%	97%		
		(thru Feb)	(thru Feb)			
	Disability Determinations Production per Workyear (PPWY)	313	300	313		
	Disability Determinations Reconsiderations Receipts	65,205	472,272			

*FYTD Status	Performance Measures	Month of May 2015	FYTD 2015	**FY 2015 Target	Percent of Target	Charts and Sparklines by Month for Rolling 13 Months
	Disability Determinations Reconsiderations Completed	68,406	485,133	739,000	65.6%	
	Disability Determinations Reconsiderations Pending	149,593	149,593	143,000		
	Reconsiderations Processing Time	85.4	85.1			
HEARINGS						
	Receipts	71,357	505,002	805,000	62.7%	
	Completed	64,458	439,471	727,000	60.4%	
	Pending	1,043,267	1,043,267	1,056,000		
	ODAR Production per Workyear (PPWY) (Days)	91	96	104		
	Annual Growth of Backlog (Workyears)			TBD		Milestone
	Hearings Requests Pending over 270 Days	50%	50%			
		518,393	518,393			
	Annual Average Processing Time for Hearing Decisions (Days)	491	463	470		
	Hearings Held	55,122	379,278			
	Randomly Reviewed Cases Using an Inline Review Process (The % is the # of QA reviews completed/decisions.)	2.2%	2.5%			
APPEALS COUNCIL						
	Receipts	13,346	96,232			
	Completed	14,159	101,262			
	Pending	145,353	145,353			
	Case Production per Workyear (PPWY)	237	244			
	Review Appeals Council Requests Pending 365 Days or Older (The % and # are cases pending less than 365 days.)	82%	82%	80%		
		119,802	119,802			
	Average Processing Time for Appeals Council Requests for Review	390	388			

*FYTD Status	Performance Measures	Month of May 2015	FYTD 2015	**FY 2015 Target	Percent of Target	Charts and Sparklines by Month for Rolling 13 Months
800 NUMBER						
	Speed in Answering National 800 Number Calls (in Minutes:Seconds)	07:00	10:36	11:40		
	Busy Rate for National 800 Number Calls	0.1%	9.9%	8%		
	800 Number Calls Handled (Agent + Self-service as per OTS as of FY2014 - Previously 800 Number Transactions)	2,790,080	24,333,676	38,000,000	64%	
STAFFING						
	Teleworking Employees *Indicates the change in the number of employees who telework. **Indicates the total number of employees who teleworked this month.	8 *	9,470 **	16,400	58%	
	New Hire - Veterans	28.69%	41.93%	25.00%	167.72%	
	New Hire - Disabled Veterans	12.89%	19.78%	17.50%	113.03%	
	Workforce Population - Targeted Disabilities		2.00%	2%	100.0%	
	Improve Talent Management to Strengthen the Competence of Our Workforce	Increase the Talent Management Index Score to 60%				FYTD Status at end of Q2: Unknown – based on end of FY Federal Employee Viewpoint Survey
	Maintain Status as One of the Top 10 Best Places to Work among the Large Agencies in the Federal Government	Achieve a Top 10 Ranking				FYTD Status at end of Q2: Unknown – based on end of FY Federal Employee Viewpoint Survey
	Achieve Target Number of Human Capital Metrics to Ensure Progress toward Building a Model Workforce	Achieve 75% of the Human Capital Metrics				FYTD Status at end of Q2: Unknown – based on end of FY Federal Employee Viewpoint Survey

*FYTD Status	Performance Measures	Month of May 2015	FYTD 2015	**FY 2015 Target	Percent of Target	Charts and Sparklines by Month for Rolling 13 Months
INFORMATION TECHNOLOGY SERVICES						
	Availability to Our Systems During Scheduled Times of Operation	99.87%	99.96%	99.5%	100.5%	
	Upgrade the Telecommunications Infrastructure	Refresh 50% of Our Network Connection Devices by September 30, 2015				FYTD Status at end of Q2: 72% of total devices refreshed by end of Q2 – FY 2015 target exceeded.
	Implement Innovative Systems Accessibility and Performance Capabilities	Reduce Open Systems Infrastructure Size from 1,500 Servers to 1,000 Servers by September 2015				FY 2015 target met by end of Q2
	Establish a Testing Lab to Promote Research and Development of Innovative Technology Solutions	Conduct Three New Research Projects in Emerging Technologies by September 30, 2015				FYTD Status at end of Q2: On Target - Currently testing 3 emerging technologies in lab
	Improve Cyber Security Performance	Meet the Performance Requirements of the Dept. of Homeland Security's Federal Network Security Compliance and Assurance Program and the Cyber Security Cross-Agency Priority Goals				FYTD Status at end of Q2: All areas are currently compliant with the Federal Network Security Compliance and Assurance Program
OTHER PERFORMANCE MEASURES						
	Achieve the Targeted Number of Disability Insurance and Supplemental Security Income Disability Beneficiaries with Tickets Assigned and in Use , who Work above a Certain Level			50,000		Sparkline Not Available
	Evaluate Our Physical Footprint	Reduce Our Physical Footprint from Our FY 2012 Level by 1.86 Million Usable Square Feet				FYTD Status at end of Q2: Reduced physical footprint by 1.13 million usable square feet. Unlikely that, we will meet the total reduction target of 1.86 million usable square feet by the end of the FY.
* A blue box in the FYTD Status column indicates the measure is a Key Budgeted Workload Measure.						
** FY 2015 Performance Measures shown.						

2015

January 2015						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2015						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March 2015						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2015						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2015						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2015						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 2015						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2015						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2015						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2015						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2015						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2015						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Board Meeting Dates
January 8
February 23
April 24
May 29
June 23
July 28
August – Conference Call
September 25 – Tech Panel Presentation
October 23 – Representative Payee Symposium
November 20
December 11
Board Trips
March 23-25 New York
Notes (Other Meetings):
February 24 – Field Trip to DDS
June 19 – Tech Panel Meeting

- Board Meeting Dates
- Board Trips
- Notes (Other Meetings)
- Holidays