

Performance Plan Fiscal Year 2002



**and
Revised Final Fiscal Year 2001
Performance Plan**

FY 2002 ANNUAL PERFORMANCE PLAN AND REVISED FINAL FY 2001 ANNUAL PERFORMANCE PLAN

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I. Introduction

The Social Security Administration (SSA) is responsible for administering three major programs: the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs, commonly known as “Social Security,” and the Supplemental Security Income (SSI) program.

Social Security pays benefits to retirees and their dependents, to survivors of deceased workers, and to disabled workers and their families. In fact, disability and survivors benefits make up about 28 percent of all Social Security benefits paid. They provide important protection for younger workers before retirement, protection that is often difficult or costly to obtain through private insurance.

SSI provides cash assistance to financially needy individuals who are aged, blind or disabled. To be eligible to receive SSI benefits, individuals must have little in the way of personal resources or income. SSI provides a basic subsistence level, with individual benefits currently equivalent to 73 percent of the poverty level.

The government will collect \$539 billion in Social Security contributions in FY 2002. Of the \$539 billion, \$92 billion are in excess of OASDI benefit outlays and, along with about \$76 billion in interest on Treasury securities held by the trust funds, will be credited to the OASI and DI trust funds. FY 2002 estimates by program, including benefit outlays and the number of beneficiaries, are shown below:

Programs	FY 2002 Benefit Outlays (\$ Billions)	FY 2002 Beneficiaries (Millions)
Old-Age and Survivors Insurance	\$384.3	39.2
Disability Insurance	\$62.8	7.0
Supplemental Security Income (Federal)	\$31.5	6.4

To administer these programs, SSA issues Social Security numbers (SSN), maintains earnings records for wage earners and self-employed individuals, takes claims and determines eligibility for benefits, updates beneficiary eligibility information, educates the public about the programs, and conducts research, policy analysis and program evaluation. SSA integrates these activities across all programs through a single national service-delivery structure.

Conformance with President's Budget

This document describes SSA performance expectations for FY 2002 based on the funding available in the President's FY 2002 budget.

The President's budget for SSA includes sufficient resources to ensure stable staffing in FY 2002. It will allow SSA to maintain performance in key service delivery areas such as retirement claims and average processing time for disability claims while processing more disability claims and hearings in FY 2002 than in FY 2001.

The budget will enable SSA to continue its multi-year plan to become current with continuing disability review (CDR) requirements by the end of FY 2002, as well as significantly increase the non-

disability redetermination effort. It also includes resources for SSA to continue to invest as wisely as we can to modernize our computer infrastructure and continue with our efforts to offer services in an online environment.

At the same time, this amount will allow SSA to process substantial day-to-day base workloads in FY 2002—the largest factor driving overall SSA administrative resource needs—including:

- ❖ Paying benefits to more than 50 million people every month;
- ❖ Processing more than six million claims for benefits each year;
- ❖ Handling approximately 59 million phone calls to SSA's 800-number; and
- ❖ Issuing 136 million Social Security Statements.

Meeting these expectations will not come without continuing stress on the organization, as we push to manage for results. We face considerable challenges as we process our day-to-day workloads, move ahead on initiatives, and prepare for significant workload increases and employee retirements in the near future. Actual service levels will depend in large part on the size and growth of our workloads and on how quickly our budgeted automation and process improvements take hold in 2001 and 2002.

II. SSA's Strategic Plan

SSA released its most recent Agency Strategic Plan (ASP), *"Mastering the Challenge,"* in September 2000. This current edition confirms the mission and strategic goals established in our first plan published under the Government Performance and Results Act in 1997. Our mission is:

"To promote the economic security of the nation's people through compassionate and vigilant leadership in shaping and managing America's social security programs."

Supporting our mission are five broad strategic goals that encompass all our program activities. Each goal has supporting strategic objectives that add specificity and define what the goals will mean to SSA over the period covered by the strategic plan (FY 2001 through FY 2005). Our five strategic goals are:

- ❖ ***To promote valued, strong and responsive social security programs and conduct effective policy development, research and program evaluation***
- ❖ ***To deliver customer-responsive, world-class service***
- ❖ ***To ensure the integrity of social security programs, with zero tolerance for fraud and abuse***
- ❖ ***To be an employer that values and invests in each employee***
- ❖ ***To strengthen public understanding of the social security programs***

SSA faces a future that promises huge growth in workloads, an explosion in technology and ever-increasing customer expectations. These challenging forces have driven us to look beyond the conventional five-year planning horizon in this plan. Shaped by a vision of service in 2010, *"Mastering the Challenge"* describes how SSA will prepare itself to meet the needs of tomorrow's customers while continuing to realize concrete results in improved service for today's customers.

This FY 2002 Annual Performance Plan (APP) flows from the current strategic plan. However, several performance indicators and targets, and the means and strategies to achieve them, are still to be determined. These will be defined once we complete more detailed planning to implement our long-range service vision.

Interim Adjustments to the ASP

Since publishing the ASP and in the course of developing our FY 2002 APP, SSA made an adjustment to a strategic objective that supports the goal: *To ensure the integrity of social security programs, with zero tolerance for fraud and abuse.* We changed the objective to "By 2005, raise to 96% the accuracy based on non-disability factors of eligibility of SSI disabled and aged payment outlays." The prior objective raised the accuracy to 97% in 2005. The change reflects the projected impact of current and planned integrity investments. Further discussion begins at page 106.

III. Revised Final FY 2001 Annual Performance Plan

SSA's FY 2001 APP, submitted to Congress in March 2000, committed SSA to levels of performance concomitant with the funds requested. It assumed enactment of the full FY 2001 President's budget.

The FY 2001 performance targets contained in our FY 2001 APP were based on the most recent available data and analysis, agency consideration and decisions. Since that time, further agency consideration based on our review of program performance information available to date for FY 2000, as well as other data and analysis, has led SSA to revise some FY 2001 performance commitments.

This revised final FY 2001 APP modifies several FY 2001 indicators and annual targets, as discussed on the following pages. It contains modifications to our performance commitments for FY 2001 in response to Congressional action on our FY 2001 budget request, the occurrence of any unanticipated exigencies, and/or our review of full-year FY 2000 actual program performance.

This revised final FY 2001 APP also lists the performance indicators which

will be discontinued effective FY 2002 and the bases.

With the publication of SSA's new Agency Strategic Plan (ASP), many of our performance objectives and subordinate performance indicators have evolved and are effective with our FY 2002 Annual Performance Plan. Where appropriate and feasible, we are making parallel changes to these objectives and indicators in this Revised Final FY 2001 Annual Performance Plan. This will assist in managing and tracking our early performance in the pursuit of our longer-term goals.

In some cases where new performance indicators track only to newly established objectives, we added the new objectives to the revised final FY 2001 APP and listed subordinate indicators and goals. Where new indicators could be related to performance objectives already in our FY 2001 APP, we simply *added* those new performance indicators and goals to the existing objectives. At Appendix 2 is a Summary of the FY 2001 Performance Goals which incorporates all the changes in this section.

Revised Final FY 2001 Annual Performance Plan

To align with our new Strategic Plan, we *changed* the following performance *objectives* and subordinate performance *indicators* with FY 2001 goals:

Strategic Objective: By 2002, to increase the range of program information services available to customers over the phone and electronically

Objective FROM...		Objective TO...
By 2002, to increase the range of program information services available to customers over the phone and electronically		By 2005, make 60 percent of SSA's customer-initiated services available to customers either electronically via the Internet or through automated telephone service, and provide the customer interacting with SSA on the Internet with the option of communicating with an SSA employee while online
Indicators FROM:	Indicators TO:	FY 2001 Goals
<ul style="list-style-type: none"> ❖ New or expanded services available over the phone ❖ New or expanded services available electronically ❖ Number of customers accessing Social Security Online ❖ Number of online Social Security Statement requests as compared to the number of 800 Number ARU Social Security Statement requests 	<ul style="list-style-type: none"> ❖ Percent of SSA's customer-initiated services available to customers either electronically via the Internet or through automated telephone service ❖ Activities to establish the capability for customers interacting with SSA on the Internet to communicate with an SSA employee while online 	<p>21%</p> <p>NA</p>

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We also *added* the following new performance *objectives* and subordinate performance *indicators* from the new Strategic Plan, effective FY 2001, so as to assist in managing and tracking our early performance in the pursuit of our longer term goals. FY 2001 Goals are also established:

New Strategic Objective: Increase electronic access to information needed to serve SSA customers. Specifically by 2005:

- ❖ Establish electronic access to human services and unemployment information with 90 percent of States,
- ❖ Establish electronic access to vital statistics and other material information with 50 percent of States,
- ❖ Increase electronic access to information held by other Federal Agencies, financial institutions and medical providers.

New Indicators	FY 2001 Goals
❖ Percent of States with which SSA has electronic access to human services and unemployment information	59%
❖ Percent of States with which SSA has electronic access to vital statistics and other material information	12%
❖ Milestones/deliverables demonstrating progress in increasing electronic access to information held by other Federal Agencies, financial institutions and medical providers	TBD

New Strategic Objective: By 2005, increase by 100 percent from the 1999 levels, the number of SSDI and SSI disability beneficiaries who achieve steady employment and no longer receive cash benefits

New Indicator	FY 2001 Goal
Activities to implement provisions of the Ticket to Work and Self Sufficiency Program (TWSSP) and other employment strategies	<ul style="list-style-type: none"> ❖ Publish final regulations for Ticket to Work program ❖ Distribute Tickets to beneficiaries in Phase 1 States

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We also *added* the following performance *indicators* from the new Strategic Plan, effective FY 2001, so as to assist in managing and tracking our early performance in the pursuit of our longer term goals. These are listed under FY 2001 performance objectives. FY 2001 Goals are also established:

Strategic Objective: To raise the number of customers who receive service and payments on time

New Indicator	FY 2001 Goal
❖ Percent of hearings decisions issued within 180 days from the date the request is filed	20%
❖ Percent of decisions on appeals of hearings issued by the Appeals Council within 105 days of the appeals filing date.	20%
❖ Average processing time for decisions on appeals of hearings issued	285 days
❖ Number of decisions on appeals of hearings issued per workyear (PPWY)	262

Strategic Objective: To maintain through 2002, current levels of accuracy and timeliness in posting earnings data to individuals' earnings record.

New Indicator	FY 2001 Goal
Percent of employee reports (W-2s) filed electronically	20%

We also *changed* the following performance indicator to the *indicator* from the new Strategic Plan, effective FY 2001, so as to assist in managing and tracking our early performance in the pursuit of our longer term goals. The new indicator is listed under the FY 2001 performance objective. FY 2001 Goals are also established:

Strategic Objective: To make benefit payments in the right amount

Indicator FROM...	Indicator TO...
Dollar accuracy of <i>OASI</i> payment outlays:	Dollar accuracy of <i>OASDI</i> payment outlays:
❖ Percent without overpayments	❖ Percent without overpayments
❖ Percent without underpayments	❖ Percent without underpayments

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Following are additional *changes* in performance *indicators* and the bases:

Strategic Objective: By 2002, to have 9 out of 10 customers rate SSA's service as "good," "very good," or "excellent", with most rating it "excellent"

Indicator FROM...	Indicator TO...	Basis...
Percent of employers rating SSA's overall service as "excellent," "very good," or "good"	Percent of employers rating SSA's overall service <i>during interactions with SSA</i> as "excellent," "very good," or "good"	This change reflects that, in reality, many employers do not interact with SSA. The new measure will only reflect rating of employers interacting with SSA.

Strategic Objective: By 2002, to have 9 out of 10 customers rate SSA's service as "good," "very good," or "excellent", with most rating it "excellent"

Indicator FROM...	Indicator TO...	Basis...
Percent of employers rating SSA's overall service as "excellent"	Percent of employers rating overall SSA's service <i>during interactions with SSA</i> as "excellent"	This change reflects that, in reality, many employers do not interact with SSA. The new measure will only reflect rating of employers interacting with SSA.

Strategic Objective: To raise the number of customers who receive service and payments on time

Indicator FROM...	Indicator TO...	Basis...
Percent increase in OHA PPWY in hearings process	Number of hearings cases processed per workyear	This change aligns the GPRA goal with the measurement and tracking systems used by SSA for PPWY.

Strategic Objective: To provide the necessary tools and training to achieve a highly skilled and high-performing workforce

Indicator FROM...	Indicator TO...	Basis...
Percent of offices with access to Interactive <i>Video Teletraining/Interactive Distance Learning (IVT/IDL)</i>	Percent of offices with <i>direct</i> access to <i>Interactive Video Teletraining (IVT)</i>	This wording change reflects current terminology and reflects a change from measuring the percent of offices within a 30 minute commute to measuring the percent of offices to which IVT is directly transmitted, so as to eliminate travel time for employees.

We are also *correcting the definition* of the following indicators:

Performance Indicator: Percent increase in the number of DI adult worker beneficiaries who begin a trial work period

Definition change...	Basis...
Effective 2001, indicator represents the annual percentage increase over the prior year performance in the number of DI adult worker beneficiaries who begin a trial work period. In years prior, the indicator represented the annual percentage increase relative to the base year 1997. Our CY 2001 goal is for a 5 percent increase over the CY 2000 actual level, equivalent to 15,528.	This wording change clarifies that our tracking has been on a Calendar Year, as opposed to Fiscal Year basis, and this will be continued for FY 2001 and thereafter for this interim measure. In addition, it clarifies that effective FY 2001, the goal is for an increase over the prior calendar year performance.

Performance Indicator: Percent increase in the number of SSI disabled beneficiaries, aged 18-24, whose payments are reduced because of work (i.e. participating in 1619(a) status)

Definition change...	Basis...
Effective 2001, indicator represents the annual percentage increase over the prior year performance in the number of SSI disabled beneficiaries, aged 18-64 who are participating in 1619(a), i.e., working at the Substantial Gainful Activity level but still receiving benefits. In years prior the indicator represented the annual percentage increase relative to the base year 1997. Our FY 2001 goal is for a 5 percent increase over the FY 2000 actual level, equivalent to 27,061.	This wording change clarifies, effective FY 2001 that the goal is for an increase over the prior calendar year performance.

Performance Indicator: Percent of employers rating SSA's overall service *during interactions with SSA* as "excellent," "very good," or "good"

Definition change...	Basis...
This is the number of employers directly interacting with SSA who rate service as excellent, very good or good on a 6-point scale ranging from excellent to very poor, divided by the total number of respondents to that question.	This change reflects that we are changing our survey methodology to select our survey sample only from the universe of employers who have had direct interactions with SSA.

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Performance Indicator: Percent of employers rating SSA’s overall service *during interactions with SSA* as “excellent”

Definition change...	Basis...
This is the number of employers directly interacting with SSA who rate service as excellent on a 6-point scale ranging from excellent to very poor, divided by the total number of respondents to that question.	This change reflects that we are changing our survey methodology to select our survey sample only from the universe of employers who have had direct interactions with SSA.

These tables display the *changes* in FY 2001 performance *targets* (i.e., goals) and the bases:

Performance Indicator: Percent of SSA’s core business customers rating SSA’s overall service as “excellent,” “very good,” or “good”

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
89%	82%	This change reflects new baseline customer satisfaction rates resulting from the transition to the new Interaction Tracking Methodology and the projected impact of current and planned initiatives.

Performance Indicator: Percent of SSA’s core business customers rating SSA’s overall service as “excellent”

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
40%	30%	This change reflects new baseline customer satisfaction rates resulting from the transition to the new Interaction Tracking Methodology and the projected impact of current and planned initiatives.

Performance Indicator: Percent of employers rating SSA’s overall service *during interactions with SSA* as “excellent,” “very good,” or “good”

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
94%	TBD	SSA will institute a new, more targeted employer survey in FY 2001 and use the data to establish new baseline performance targets.

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Performance Indicator: Percent of employers rating SSA's overall service during interactions with SSA as "excellent"

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
16%	TBD	SSA will institute a new, more targeted employer survey in FY 2001 and use the data to establish new baseline performance targets.

Performance Indicator: Percent of SSI aged claims processed by the time the first regular payment is due or within 14 days of effective filing date, if later

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
TBD	66%	This target is based on updated baseline data consistent with the new indicator definition which is effective FY 2002.

Performance Indicator: Initial disability claims processing time (days)

FY 2001 Goal FROM...	FY 2001 Goal TO...	Basis...
117 days	120 days	This revised goal reflects the processing time goal contained in SSA's FY 2001 Operating Plan.

Performance Indicator: Increase in the number of DI adult worker beneficiaries who begin a trial work period

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
10% (equivalent to 19,200)	5% (equivalent to 15,528)	This revised goal represents a 5% increase over the CY 2000 actual. It also reflects the revision of the CY 2001 goal from 10% to 5% increase over the prior calendar year.

Performance Indicator: Percent increase in the number of SSI disabled beneficiaries, aged 18-24, whose payments are reduced because of work (i.e. participating in 1619(a) status)

FY 2001 Goal FROM...	FY 2001 Goal TO...	Basis...
10 % (equivalent to 23,918)	5% (equivalent to 27,061)	This revised goal reflects the revision of the FY 2001 goal from 10% to 5% increase over the prior fiscal year.

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Performance Indicator: Dollar accuracy of OASDI payment outlays: Percent without overpayments

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
99.8%	99.7%	This goal reflects inclusion of non-medical accuracy of DI outlays in the measure effective FY 2001. The prior measure only included OASI outlays.

Performance Indicator: Hearings average processing time

FY 2001 Goal FROM...	FY 2001 Goal TO...	Basis...
208 days	271 days	This goal reflects the most recent FY 2001 workload estimates for hearings dispositions, hearings pendings, and available Administrative Law Judges (ALJs).

Performance Indicator: Number of hearings processed per workyear

FY 2001 Goal FROM...	FY 2001 Goal TO...	Basis...
119	103	This goal reflects the most recent FY 2001 workload estimates for hearings dispositions, hearings pendings, and available (ALJs).

Performance Indicator: OHA decisional accuracy

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
87%	88%	This goal reflects maintenance of the improved accuracy rate for FY 2000.

Performance Indicator: Percent of SSI payment outlays "free" of overpayments and underpayments (based on non-medical factors of eligibility)

FY 2001 Goal FROM...	FY 2001 Goal TO...	Basis...
Overpayments: 95.5%	Overpayments: 94.7%	We raised the FY 2001 goal based on estimated improved FY 2000 performance.

Performance Indicator: Percent of multi-year CDR plan completed

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
83%	86%	The May 16, 2000 revision SSA's 7-Year CDR plan raised the FY 2001 completion goal based on revised actuarial data.

Performance Indicator: Percent of offices with access to Interactive Video Teletraining (IVT)

FY2001 Goal FROM...	FY 2001 Goal TO...	Basis...
100%	67%	The revised FY 2001 target reflects the revised indicator definition.

Performance Indicator: Percent of public who are knowledgeable about Social Security programs

FY 2001 Goal FROM...	FY 2001 Goal TO...	Basis...
70%	75%	We raised the FY 2001 goal based on improved actual FY 2000 performance as reported in the annual PUMS survey.

FY 2001 indicators which will be discontinued from use in GPRA annual performance plans effective FY 2001 are the following:

FY 2001 Indicator...	Basis...
<ul style="list-style-type: none"> • New or expanded services available over the phone • New or expanded services available electronically • Number of customers accessing Social Security Online • Number of online Social Security Statement requests as compared to the number of 800 Number Social Security Statement requests 	<p>The indicator was replaced with an improved indicator for one or more of the following reasons:</p> <ul style="list-style-type: none"> • Alignment with strategic objectives in the new Agency Strategic Plan • Evolution of the indicator and application of results of benchmarking, analysis, and/or new baseline information. <p>More detail on the basis for each change is found in the related performance objective section of the FY 2002 APP.</p>

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These tables display *revisions* in FY 2001 *output measures* for major budgeted workloads:

Strategic Goal: To deliver customer-responsive world-class service

Major Budgeted Workload	Original FY 2001 Output measure	Revised FY 2001 Output measure
• RSI claims processed.	3,083,000	3,125,000
• SSI aged claims processed.	136,400	150,000
• Initial disability claims processed.	2,057,000	2,097,000
• Hearings processed.	582,000	526,000
• SSN requests processed.	16,300,000	16,460,000
• 800-number calls handled.	57,000,000	60,000,000 ¹

Strategic Goal: To make SSA program management the best-in-business, with zero tolerance for fraud and abuse

Major Budgeted Workload	Original FY 2001 Output measure	Revised FY 2001 Output measure
• Annual earnings items processed.	259,400,000	270,200,000
• Representative payee actions.	7,461,900	6,858,000

1. Includes up to 1 million additional calls that may result from notices and benefit adjustments to compensate affected Social Security and SSI beneficiaries for the error in the Bureau of Labor Statistics consumer price index (CPI) announced for 1999.

IV. FY 2002 APP Overview

Enhancements to APP Document

For FY 2002, we enhanced our APP to emphasize several important areas, including the following:

- ❖ In Section IV, we expanded the discussion of major environmental factors that may impact SSA's performance and our strategies to mitigate them to incorporate anticipated factors through 2010. We also described how information technology and SSA's capital investments support our long-range service vision, our strategic goals and initiatives.
- ❖ We identified throughout Section V the performance indicators which are newly established for FY 2002. We also added baseline data, definitions and data sources for output measures.
- ❖ We expanded Section VI on Verification and Validation to better demonstrate the validity and reliability of the data used to report our performance.
- ❖ We highlighted in Appendix 1 the performance indicators which are newly established for FY 2002.
- ❖ We added new Appendix 2, a Summary Table of FY 2001 Performance Goals which displays, in one place, all FY 2001 Performance Goals including those modified in the

Revised Final FY 2001 Annual Performance Plan.

- ❖ We added new Appendix 4, which displays a crosswalk of the performance goals and objectives in SSA's 1997 Strategic Plan and 2000 Strategic Plan.

SSA's Budget Account Structure and APP Alignment

The "Introduction" section of this document explains that SSA is responsible for three major programs:

- ❖ Old-Age and Survivors Insurance (OASI);
- ❖ Disability Insurance (DI); and
- ❖ Supplemental Security Income (SSI)

SSA also provides support for the Medicare, Medicaid, and Black Lung programs.

The following discussion provides a brief overview of SSA's unique budget account structure, which has evolved over a number of years as SSA's responsibilities have changed.

Budget Account Structure

SSA's budget is best viewed in two distinct segments—the program budget and the administrative budget. In the simplest possible presentation, the program budget covers benefit payments to individuals, while the administrative

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budget covers the costs of accomplishing SSA’s mission.

budget. SSA’s administrative budget is considered discretionary spending.

Under the Budget Enforcement Act, the program budget is considered part of the entitlement portion of the Federal

Eight separate accounts comprise SSA’s overall budget. These accounts are generally categorized by the type of appropriation from which they are funded, as displayed below.

Account	Appropriation
Old-Age and Survivors Insurance Trust Fund	Permanent
Disability Insurance Trust Fund	Permanent
Supplemental Security Income	Annual
Special Benefits for Certain WWII Veterans	Permanent
Special Benefits for Disabled Local Miners	Annual
Payments to Social Security Trust Funds	Permanent/Annual
Office of Inspector General	Annual
Limitation on Administrative Expenses	Annual

SSA’s permanent appropriations provide the funding needed to pay all entitled Social Security beneficiaries automatically; the amount spent each year is not determined through the annual appropriations process. Therefore, Social Security retirement, survivors and disability insurance benefits increase automatically as additional persons meet eligibility requirements and as benefit levels increase based on cost-of-living adjustments. These OASDI trust fund accounts are considered off-budget.

Security benefit payments make up the overwhelming bulk of SSA’s overall budget. These accounts are permanent appropriations.

A very brief sketch of each SSA budget account follows:

Supplemental Security Income (SSI):

The activities of this annual appropriation involve:

Old-Age and Survivors Insurance (OASI) Trust Fund and Disability Insurance (DI) Trust Fund:

These accounts receive revenues from Social Security contributions and disburse benefit payments (entitlements) upon retirement, disability, or death to insured workers and their families. Social

- ❖ Providing means-tested Federal payments for aged, blind and disabled persons;
- ❖ Providing vocational rehabilitation services and research funding; and
- ❖ Reimbursing the Social Security trust funds for the SSI program’s share of SSA’s administrative expenses.

Special Payments for Disabled Coal Miners (Black Lung):

SSA makes payments of cash benefits to certain coal miners who are disabled due to coal workers’ pneumoconiosis (black lung) and to their widows and certain other dependents.

Special Benefits for Certain World War II Veterans: Title VIII of the Social Security Act, enacted December 14, 1999 as part of the Foster Care Independence Act of 1999, provides a monthly cash payment to certain World War II veterans who were eligible for SSI and who reside outside the United States.

Payments to Social Security Trust Funds (PTF): This account provides general fund payments to the Social Security trust funds intended to reimburse the trust funds for certain benefits or administrative expenditures (e.g., special payments for certain uninsured persons and costs associated with pension reform) that are chargeable to Federal funds.

Office of the Inspector General (OIG): The OIG account is an annual appropriation that funds the

administrative expenses of the Inspector General. Financing is provided from both the Social Security trust funds and general revenues to reflect the fact that OIG monitors the Social Security, SSI and Black Lung programs.

Limitation on Administrative Expenses (LAE): The Limitation on Administrative Expenses, SSA's basic administrative account, is an annual appropriation and is financed from the Social Security and Medicare trust funds. The trust funds are reimbursed for the administrative expenses of the SSI program, which are covered by Federal funds, from the SSI account, and from fees paid by States for Federal administration of State SSI supplementation payments. The following table displays the LAE account by funding source (using FY 2000 actual data for illustrative purposes).

Funding Source	Budget Authority in Millions	Percent of Total
Old-Age and Survivors Insurance Trust Fund	\$1,750	26.5%
Disability Insurance Trust Fund	\$1,394	21.1%
Hospital Insurance Trust Fund	\$ 556	8.4%
Supplementary Medical Insurance Trust Fund	\$ 482	7.3%
Payment to Social Security Trust Funds for Administrative Expenses of the Supplemental Security Income Program	\$2,342	35.4%
State Supplementation User Fee	\$ 80	1.2%
Special Benefits for Certain WWII Veterans	\$ 3	.1%
Total	\$6,607	100%

The LAE account funds:

- ❖ Salaries and benefits of SSA's Federal employees (excluding the Office of the Inspector General);
- ❖ Related costs for space, equipment, supplies, travel, printing and other non-payroll expenses
- ❖ System and telecommunications activities; and
- ❖ Expenses of the State Disability Determination Services (DDS), which make disability determinations on behalf of SSA.

Alignment of the APP and the Budget

SSA has aligned the strategic goals in our ASP and accordingly, the performance goals in our APP, by our major functional responsibilities rather than by program or budget account.

The program and financing schedules for SSA in the President's budget do not include program activities, per se. For example, under the heading "Obligations by Program Activity," SSA's LAE account displays total obligations by direct program and reimbursable program.

SSA's programs share many customers in common and rely on a common set of business processes. To highlight just a few examples:

- ❖ Many of our SSI applicants are also OASI or DI applicants;
- ❖ While there are a few legislative differences in the disability criteria for the DI and SSI programs, the processes we use to determine eligibility for disability benefits under the two programs vary only slightly;
- ❖ Much of our research and policy development in the area of disability supports both the DI and SSI programs; and
- ❖ We maintain earnings records in support of the OASI, DI and Medicare programs.

Fitting with the common characteristics of our programs, SSA has a single national service-delivery structure that does not specialize by program. By integrating services across all of our programs at the level of the customer, SSA is able to enhance efficiency, avoid duplication of effort and increase opportunities to provide one-stop service to our customers. As noted above, SSA's administrative costs, for all programs and associated functional responsibilities, are funded for the most part by the LAE appropriation.

The following chart links funding amounts within the Social Security Administration’s LAE, research and OIG budget accounts to our four functional strategic goals. As the fifth goal, “valued

employees,” supports accomplishment of all our basic functions, resources related to it are allocated across the other four goals.

FY 2002 Administrative Budget Construct, by Strategic Goal
(Dollars in Millions)

Budget Accounts	Responsive Programs	World-Class Service	Program Integrity	Public Understanding	Total
Limitation on Admin. Expenses	\$24	\$5,771	\$1,666	\$113	\$7,574
Extramural Research ²	\$30	---	---	---	\$ 30
Office of Inspector General			\$75		\$ 75
Total	\$54	\$5,771	\$1,741	\$113	\$7,679

² Excluded \$12 million for trust-fund financed demonstration projects authorized by Section 234 of the Social Security Act.

Major Environmental Factors

Major environmental factors are, by definition, outside of our direct control. We take them into account in developing, adapting, and implementing our means and strategies. We will also consider their impact, in retrospect, as we track our actual performance against our goals, and when we report on our performance in our Annual Performance Report.

Following are some of the major environmental factors we have identified and our general approach to considering them or to mitigating their impact. Additional information is found in the means and strategies discussions for each of our strategic objectives in Section V.

Challenging Business Environment

After many decades of public service ranked among the very best, SSA acknowledges the strain of demanding of itself the best in performance. We now deliver service to customers whose expectations are racing higher. And we look ahead to a future that promises an explosion in technology and huge growth in workload as the Baby Boomer generation approaches retirement. We also face the prospect of significant retirement losses.

Under current estimates, by 2010 the demographic shift created by the aging of the Baby Boomers will push growth in disability beneficiaries to something more than 46 percent over today's levels. Retirement beneficiaries will increase by over 15 percent and

Supplemental Security Income recipients will increase by about 10 percent. And new mission requirements such as the Ticket to Work and Work Incentives Improvement Act of 1999 signal expanded responsibilities for the Agency and the workforce.

These challenging forces have driven us to look beyond conventional planning horizons. We know that we must begin now to position the Agency so it is prepared to handle the increases in claims expected as the Baby-Boomers reach their disability-prone years (their 50's) and then retirement age (in around 2008 when they begin to reach age 62).

SSA's *2010 Vision* has been developed to provide a clear vision of how SSA will deliver service in the future and to provide a framework for aligning ourselves and our efforts so that we will succeed. SSA's new Strategic Plan, *Mastering the Challenge* and other service plans will give our long-range service vision shape and will help guide us toward making the vision a reality.

Long-Term Solvency

Americans are living longer, healthier lives. In addition, the Baby-Boom generation is nearing retirement. When the Social Security program was created in 1935, a 65-year-old had an average life expectancy of 12 ½ more years; today, it is 17 ½ years, and rising. The number of workers paying into Social Security per beneficiary will drop from 3.4 in 1999 to 2.1 by 2037.

These demographic changes create long-term funding issues for the Social Security programs. While revenues currently exceed benefit payments, in 2015 total expenditures will exceed revenues and interest from the trust funds will be needed to pay full benefits. The trust funds are projected to be depleted by 2038 under current law, at which point revenues will support only about 73 percent of total expenditures.

As the debate moves forward on how best to strengthen Social Security for the future, SSA must work to ensure that the policymakers and public have the information needed to assess the implications of all the proposals under consideration. SSA plays a critical role in this policy debate by informing policymakers and the public about program characteristics and the implications of proposed changes and strategies.

Customer Expectations

The Social Security Administration has set the standard for customer-responsive world-class service among Federal government agencies. Customer service continues as a major strategy driver in SSA, and is the framework for our planning activities. SSA is committed to continuing to provide customer-responsive, world-class service to our customers. However, customer expectations are continually balanced against budgetary restraints, and resources are focused on areas that provide the best payoff.

In the past, we measured customer satisfaction through a formal survey that had been our main barometer since 1994. In FY 2000, we moved to a new

Interaction Tracking System to monitor satisfaction.

We will continue to monitor customer satisfaction and preferences, and develop strategies and initiatives that respond to emerging themes.

SSA's Workforce

Based on our workload projections, if we try to process the Baby Boom work the way we do it now, we would need as many as 20,000 additional workyears by 2010 to maintain current service levels. Meanwhile our workforce is aging and will begin retiring in greater numbers. By 2010, over 28,000 of the Agency's employees will be eligible to retire and another 10,000 are expected to leave for other reasons. The retirement wave will create a significant drain on SSA's institutional knowledge.

Based on these projections, between now and 2010 SSA will be faced with replacing over half its current workforce, during a time when attracting and keeping capable, qualified workers will continue to be a national challenge. And SSA will need the best. The Agency is committed to maintaining a workforce that reflects the growing diversity in the national population and can thus be more responsive to the needs of customers with differing social and cultural backgrounds and language skills. We are likely to need other new skills to meet our changing responsibilities in serving individuals with disabilities. Finally, as customer demand for faster, more convenient service grows, pervasive use of technology will drive an urgent need for workers who continue to build the skills needed to be comfortable

operating in an increasingly complex technological environment.

SSA will need to undertake aggressive human resource planning and leading-edge personnel practices, and will need to provide state-of-the-art technology for our employees to fully prepare them to meet future service demands. SSA will also need to be an “employer of choice”. The means and strategies we are developing and implementing flow from these requirements.

Information Technology

The explosion of information technology presents SSA with vast opportunities for efficiencies and enhancements of customer service. Technology will enable us to simplify, speed, or eliminate tasks in our programmatic and administrative processes. As we develop an overall information technology architecture and applications, we also are providing our employees with the tools and training to use them.

Technology advances and the explosion of Internet usage are changing the way we do business and continue to raise the bar on customer expectations. The aged population is one of the fastest growing sectors of the population who use the Internet. Increasingly, our customers enjoy and prefer the convenience of on-line service that allows a full range of business, anytime and anywhere. To respond to this demand, we are increasing the number of electronic transactions available to the public by adding Internet Services on SSA's website [Social Security Online](#). Our vision is to implement comprehensive

Internet services, including privacy and security safeguards, to expand access to information and for customers to conduct SSA business.

As SSA workloads increase over the next two decades, customer access to online information and processes via the Internet, with appropriate safeguards, will absorb some of the rising workload.

Information technology continues to provide SSA with unimagined opportunities to empower employees and customers with electronic access to handle actions to completion that once required handoffs to other employees, or interaction with direct service employees. And the coming workloads make it critical that SSA optimize the efficiencies of technology to deliver on our commitment to good customer service.

Other Technological Advances

Other technological advances will impact both our programs and our workloads. For example, advances that permit individuals to join, remain in, or rejoin the workforce despite their medical challenges are changing the traditional concept of disability. New medical technologies are improving health and increasing life expectancy. SSA is keeping these advances in view, and promoting research to improve our ability to develop policies that respond to changes in technology and in medical and other trends. For example, such research enables us to update the listings of impairments used in determinations of disability.

Information Technology/Capital Investments

Critical Infrastructure Investment: Information Technology is a Principal Enabler of the “2010 Vision.”

SSA must begin now to invest in developing the technology infrastructure that will support our long-range service vision. SSA will make maximum use of technology to automate workload and administrative processes to enhance service and to fully support the electronic, paperless processing of work, thus enabling more operational flexibility. Customers and employees will have access to electronic records, with the necessary security, privacy, and authentication. Improved information management systems and support of “knowledge management” will enhance quality of decisionmaking.

SSA is developing a technology strategy that will make provisions for periodic refreshment of the infrastructure and the purchase of new hardware and software on a three-year cycle. These enhancements are needed to allow customer access to Social Security services over the Internet while simultaneously improving services delivered via telephone and face-to-face. The technology strategy will outline both the dollar and workyear investments needed in greater detail, and will result in a new operating model that leverages technology to improve productivity and meet the demands of the future.

We ordered 41,000 new computer workstations in FY 2000 and another 36,000 in FY 2001 to replace

older computers. The 41,000 have been installed and installation of the 36,000 is underway in our teleservice centers, the Office of Central Operations, as well as in some field offices, DDSs and in some parts of OHA and headquarters. In addition, we are getting new, more efficient equipment that will double the capacity of our lines to field sites and allow all SSA and DDS employees to have access to the Internet in order to enable more efficient work processing and to give all employees access to critical Intranet-based databases. We are also moving ahead with investments in the infrastructure needed to support Internet-based customer services.

Capital Investments

Capital investment, primarily in the form of information technology, supports all of SSA’s strategic goals. SSA’s information technology investments have been funded through the Agency’s annual Information Technology Systems (ITS) budget, as well as the no-year Automation Investment Fund (AIF) appropriated to provide a modern SSA computer network. SSA’s ITS budgets include funds for the acquisition and maintenance of automated data processing and telecommunications hardware and software, as well as related contractual services. The President’s FY 2002 budget includes \$360 million, an increase of \$47 million, or 15 percent, above the FY 2001 level of \$313 million, for investment in its information technology and telecommunications hardware and software infrastructure. This funding increase will allow the Agency to move

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ahead with a wide range of IT projects (see SSA’s Capital Assets Plans on page 25). With the \$360 million provided in the President’s budget, SSA will continue in FY 2002 with its ongoing efforts to modernize its computer infrastructure and to continue with efforts to offer services in an

on-line environment.

The following table displays the FY 2002 ITS obligations by baseline operations, strategic priorities, financial systems, infrastructure and office automation initiatives, and IT architecture and planning initiatives.

FY 2002 ITS Obligations

(Dollars in millions)	FY 2002
Baseline (Current Levels of Service)	
Non-800 Number Telephone Service	\$34.3
National 800-Number Service	\$35.4
Telephone Systems Maintenance & Micropurchases	\$16.6
Data Communications Network	\$14.1
ADP Hardware/Software Lease/Maintenance	\$53.9
ADP Small Purchases	\$4.6
Contractor Support Services	\$19.8
Timesharing/Backup and Recovery Services	\$3.4
Baseline Subtotal	\$182.1
World-Class Service Initiatives	\$36.0
Program Integrity Initiatives	\$5.1
Valued Employees Initiatives	\$14.1
Financial Accounting Systems	\$6.7
IT Infrastructure and Office Automation Initiatives	\$111.5
IT Architecture and Planning Initiatives	\$4.5
Obligations from New ITS Budget Authority	\$360.0

SSA's Capital Assets Plans

SSA's Capital Assets Plans identify major acquisition areas that contribute significantly to the achievement of SSA's performance goals, including:

Title II System Redesign

This redesign will provide a single system for processing virtually all initial claims and client-initiated post-entitlement actions in an online interactive mode. The net effect will be a greater capability to process work at the customer's first point of contact with the Agency, online user access to more comprehensive customer information, and an automated system that is easier and less costly to maintain and modify.

Electronic Service Delivery (ESD) Internet Customer Services

This initiative focuses on electronic services to be offered to our external customers on the SSA Internet web-site, www.ssa.gov. These Internet services will be implemented incrementally, adding online functionality along with appropriate privacy/security safeguards, until customers can conduct their business completely online.

National 800 Number Call Center Solution

This initiative will replace the existing automatic call distributors with newer technology and an intelligent network routing (INR) feature. The INR software feature will consolidate all the national 800 number network queues at SSA's various call centers into one logical queue.

Paperless Program Service Centers

The Paperless Program Service Centers (PSC) initiative is an image-based workflow management system for the PSC. SSA will capture information received on paper through electronic imaging and to make that information available for case processing on demand. We will be able to better manage PSC workloads, and improve accuracy and timeliness by having data move electronically.

Electronic Wage Reporting System

The Electronic Wage Reporting System will enable SSA to process efficiently and effectively wage reports submitted on various media in a variety of methods. The system will also provide expanded services to SSA's annual wage reporting customers by providing an acknowledgement of receipt, filing status information, complete and timely information on processing results, testing capabilities and additional customer support.

Security Infrastructure and Operations Support

SSA plans to deploy new security technologies and integrate security into its business processes to protect systems software and hardware from both physical and cyber security threats. SSA uses software to supplement the native security in the Microsoft NT and UNIX operating systems and plans for this software to be the cornerstone of an enterprise-wide distributed security architecture, eventually to be interfaced with the mainframe computer security software. This initiative also includes

increased penetration testing and certification of SSANet access. It anticipates the widespread deployment of biometric SmartCards to authenticate all internal Agency users.

Managerial Cost Accountability System (MCAS)

MCAS will modernize the way SSA collects, organizes, and provides management and financial information about SSA's programs and operations to our managers, analysts and outside entities that oversee SSA.

Financial Accounting System (FACTS)

This project will provide a comprehensive financial accounting system, replacing accounts payable, accounts receivable, core accounting systems and reporting that are currently in use. This system will provide better control of Agency funds and data consistency across the Agency.

SSA's Automation Support Processes Correspond to SSA's Planning Priorities

Much of SSA's FY 2002 ITS budget is needed to maintain ongoing SSA-wide computer operations and services, including ongoing operational costs associated with the installed national computer network. The remainder is for investments in automation for key initiatives (KIs) and for crosscutting IT initiatives. (Note: KIs are described in Appendix 5.)

SSA has a process in place to screen, select, prioritize, and schedule new IT and systems support initiatives that reflect the Agency's strategic planning priorities. In this process, Executive Staff members are the decisionmakers; agency KIs are analyzed in terms of their relative importance to SSA and their expected contribution to performance. KIs are given priority in budgeting and scheduling of software development and in making IT infrastructure capital investments.

V. Performance Goals, Means and Strategies

Introduction

This section, covering our performance goals and the means and strategies for achieving them, is organized by the five strategic goals and supporting objectives established in the ASP. SSA's goals and objectives encompass all of SSA's program activities and address the universe of competing needs of the wide variety of SSA stakeholders and customers.

By Strategic Goal:

Ongoing Activities and Budgeted Resources by Goal: The introductory section under each goal describes the scope of ongoing activities SSA performs in support of the goal and the amount of resources in SSA's budget that are associated with these activities.

Where activities relate to more than one goal, we include the resources that support them only once under the goal to which they are most relevant. For example, as a service to the public, the Social Security Statement relates in part to our "world-class service" goal. However, because it is an instrumental tool for educating the public, we have presented all resources associated with issuing the Social Security Statement under the "public understanding" goal.

We also list all the objectives that support each goal.

Crosscutting Areas with Other Federal Agencies: Under each goal, we highlight major partnerships formed with

other agencies to help us achieve our objectives.

Key Legislation and Regulations:

Under each goal, we identify any legislation or regulations that are critical to implementation of the strategies we have developed for achieving the goal's supporting objectives.

By Strategic Objective within each Strategic Goal:

Performance Indicators and Goals: The indicators for each of SSA's current five goals, when taken together, focus on the critical aspects of each of the five goals. This framework allows us to cover the full scope of Agency activities supporting the goal.

Under each strategic objective, we present a general rationale for the indicators we have selected to represent our performance and for our performance expectations for FY 2002. We also identify which indicators are newly established for FY 2002 and do not, therefore, have counterpart goals for FY 2001.

Each indicator and target performance level reflects the following:

- ❖ Each performance measure serves as an indicator of some critical aspect of performance in a given strategic objective;

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- ❖ We set target levels of performance for FY 2002 by balancing customer and stakeholder expectations, external forces, internal capabilities, and budgetary constraints; and
- ❖ We set target levels of performance for FY 2002 that reflect current levels of performance and the need to maintain current service levels or improve performance, as appropriate. In many instances, we set improvement objectives, intended to stretch us to higher levels of performance during the period covered by the ASP. In others, we set objectives to maintain current levels of performance to guard against performance slippage while we focus on other priorities. In still others, we are devising new ways to measure our success, and in the interim we are focusing on completing milestones of initiatives expected to have a positive impact on performance.

Where maintenance of performance is our goal, this may be because current performance is already excellent. In other cases, maintenance may be the goal because of the relative satisfaction of our customers with our performance in that area combined with the need to focus our limited resources in the areas most needing improvement.

In developing the FY 2002 targets, we also considered the actual performance we had attained in FY 2000 and the performance we anticipate in FY 2001.

As appropriate, baseline performance data, data sources and pertinent

background information and/or definitions are provided for each indicator. We also array trend data for each indicator with quantifiable measures, showing available historical data and goals. Goals are displayed for prior years so long as the definition has not changed. In the case of non-quantifiable goals, we also describe how we will consider them to have been achieved. A summary table of FY 2002 performance indicators and performance expectations for all of our strategic objectives is included as an appendix to this document. We also include as an appendix a summary table of our FY 2001 Performance Indicators and Goals which incorporates changes found in the Revised Final FY 2001 Performance Plan.

Means and Strategies: SSA has developed a set of strategies that will lead to achievement of each strategic objective identified in the ASP. Each strategic objective is supported by one or more Key Initiatives (KIs) for implementing required change activities. For each objective, we generally describe the KIs that we will be pursuing over the FY 2001-FY 2002 period, not only to achieve our near-term performance goals, but also to enable achievement of the longer-term objectives. Additional information on our KIs is provided at Appendix 5 of this document.

Strategic Goal: To promote valued, strong, and responsive social security programs and conduct effective policy development, research, and program evaluation

This strategic goal reflects the Agency's responsibility to address critical long and short-term social security issues and to assess program performance. The Agency will work to provide information and policy options, as well as to improve program outcomes.

Leadership in shaping the programs cannot be achieved without expertise. With this goal, SSA will strengthen its research, policy analysis and evaluation capabilities in recognition that these capabilities are essential to the development of creative and responsive policy solutions. The FY 2002 budget requests an estimated \$54 million related to activities that support this goal. This includes extramural research and the salaries and expenses of SSA's Office of Policy and Chief Actuary. In addition, the President's budget assumes that \$12 million will be made available directly from the trust funds for demonstration projects authorized by Section 234 of the Social Security Act.

Annual performance goals under this strategic goal are largely based on delivery of research and analytical products that provide critical information for decisionmakers. However, SSA also acknowledges the need to monitor the influence of Social Security programs on the economic well-being of Americans. In areas where SSA cannot define specific program outcome goals because of factors not controlled by the Agency

(e.g., social, economic, and demographic changes, etc.), "barometer" measures will provide information to assess the effectiveness of the OASDI and SSI programs. This information will help decisionmakers identify areas where policy changes may be needed to strengthen the programs.

The following Objectives support this Strategic Goal:

- ❖ Promote policy changes, based on research, evaluation and analysis, that shape the OASI and DI programs in a manner that takes account of future demographic and economic challenges, provides an adequate base of economic security for workers and their dependents, and protects vulnerable populations.
- ❖ Promote policy changes, based on research, evaluation and analysis, that shape the SSI program in a manner that protects vulnerable populations, anticipates the evolving needs of SSI populations, and integrates SSI benefits with other benefit programs to provide a safety net for aged, blind, and disabled individuals.
- ❖ Promote policy changes, based on research, evaluation and analysis, that shape the disability program in a manner that

increases self-sufficiency and takes account of changing needs, based on medical, technological, demographic, job market, and societal trends.

- ❖ Provide information for decisionmakers and others on the

Social Security and Supplemental Security Income programs through objective and responsive research, evaluation, and policy development.

Strategic Objective: Promote policy changes, based on research, evaluation and analysis, that: shape the OASI and DI programs in a manner that takes account of future demographic and economic challenges, provides an adequate base of economic security for workers and their dependents, and protects vulnerable populations.

Context

Many factors drive the need for changes to the structure of social security programs. New patterns of work and earnings, marriage and divorce, child-bearing, and life-expectancy are changing the characteristics of American families and the population. This

strategic objective addresses the need to continually assess program performance in the context of trends, so as to insure an adequate base of economic security for workers at many socioeconomic levels while maintaining sufficient long-term financing.

FY 2002 Performance Indicators and Goals

Indicator: Identification, development, and utilization of appropriate barometer measures for assessing the effectiveness of OASDI programs.

FY 2002 Goal: Update the barometer measures and prepare analysis.

Definition: We will consider this goal to be achieved if the Agency issues updated barometer measures with the latest available data and provides analysis of the data. These barometers will be used to help formulate options for strengthening the programs.

Indicator: Preparation of analyses and reports on demographic, economic, and international trends and their effects on OASDI programs in order to anticipate the need for policy change and develop options as appropriate.

FY 2002 Goals: Prepare analyses on the following topics:

- Relationship of Social Security and the economy;
- Work and earnings as they relate to Social Security;
- Role of pensions and wealth in providing retirement security;
- Social Security reforms in other countries;

Definition: We will consider these goals to be achieved if we prepare analyses and reports as indicated under the goals.

Indicator: Preparation of research and policy analyses necessary to assist the Administration and Congress in developing proposals to reform and modernize the OASDI programs.

FY 2002 Goal: Prepare analyses on the distributional and fiscal effects of reform proposals developed by policymakers.

Definition: We will consider this goal to be achieved if:
We prepare analyses providing information about the effect of specific reform proposals on various populations, the long-term actuarial balance of OASDI programs, and the economy of the United States.

MEANS AND STRATEGIES

The potential scope of issues facing SSA is enormous, including the role of Social Security programs in income security and prevention of poverty, the role of other legs of the income security stool (i.e., savings, pensions, etc.), and the effects of demographic and economic changes on the ability of the programs to perform their functions of providing an adequate base of economic security and protecting vulnerable populations. SSA's FY 2002 budget request includes resources to conduct a number of data gathering and research efforts that will help policymakers in addressing these program issues. While not an exhaustive list, the following summarizes the most significant activities for FYs 2001 and 2002:

Identification, development, and utilization of appropriate barometer measures for OASDI programs: SSA has established a baseline for barometers that provide an indication of the efficacy of OASDI programs. These measures are influenced by many factors outside of the Agency's control. There are also wide-ranging opinions regarding the optimal level of performance for these measures and the extent to which Social Security programs should be used in attaining that level. However, these

barometer measures will provide information about populations served by Social Security programs and help identify areas where the programs may be strengthened. The barometer measures include indicators of the programs' roles in providing an adequate base of economic security and protecting vulnerable populations. They will be updated routinely and modified as new data are developed. A summary of the barometer measures is included in SSA's FY 2000 Performance and Accountability Report and annual updates will be published in subsequent years' Performance and Accountability Reports.

Analyses on the effects of demographic and economic trends on Social Security programs: SSA will study major demographic and economic trends that affect the programs as well as look at experiences in other countries. Options for change will take into account this information, as well as information about the impact of the programs on subgroups of beneficiaries. We will analyze the impact of policy changes now and into the future. Work on the following topics will occur in FY 2002 to contribute to this process:

- **The relationship of Social Security and the economy**- Responses in labor force and saving behavior arising from changes in the Social Security program can affect future earnings, rates of return, and government finances. Work under this topic will focus on modeling such effects.
- **Work and earnings as they relate to Social Security**- Since the mid-1980's, the labor force participation rates of men aged 65 and older and women aged 55 and older have been increasing. The reasons are not yet understood, nor is it clear to what extent older Americans will prolong their work-lives in decades to come. Nonetheless, labor force participation decisions will affect both Social Security program revenues and expenditures, as well as play a significant role in determining the economic well-being of the older population. We will conduct research to improve our understanding of the labor market activity of older workers and the implications for Social Security and the beneficiary population.
- **Role of pensions in providing retirement security** - Unearned income from pensions and savings provide two pillars of retirement income. Information on these sources is important to retirement modeling and policy analysis on changes in SSA benefits. These studies focus on the distribution of the sources and their changing nature over time.
- **Social Security reforms in other countries** - The experiences of other countries further down the path to an aging society will be examined to provide insight into successful and

unsuccessful ways of averting a demographically induced crisis. In addition, foreign experience provides insights into other possible reforms, such as investment of the trust fund in the markets, individual accounts as an alternative to a universal system, and incentives to work at more advanced ages. Practices in other countries may also give useful insight into better methods of customer service.

National Study of Health and Activity (NSHA), formerly the Disability

Evaluation Study: SSA is undertaking research that seeks to estimate the size of the population potentially eligible for disability now and in the near future. This research will also assess the accommodations and interventions that permit some persons meeting SSA's definition of disability to continue to work and will assess how this information might be used to assist others to remain in the labor force rather than seek benefits. Information to be obtained by the NSHA enables the achievement of both this objective and the objective relating to disability eligibility and work effort.

Participation in discussions on the future of OASDI programs:

SSA plays a key role in research and analysis on critical policy issues. SSA continues to share vital analyses and data on the financial and distributional impact of various proposals for changing Social Security programs with policymakers.

Modeling: SSA is strengthening its capability to project income into future years in order to analyze distributional effects of alternative Social Security policies. The ability to model future

trends and the implications of certain program changes is instrumental to the production of informative reports and analyses. Continued model enhancements will increase the scope of reforms that can be evaluated, expand the range of income sources that can be assessed, and improve the reliability of the estimates. In addition, we are developing a model of the macroeconomy as it relates to Social Security policy analysis.

Analyses on proposals to reform and modernize the Social Security system:
The synthesis of improved modeling capabilities, analyses on various populations and economic and demographic trends will enable SSA to provide comprehensive analyses of the distributional and fiscal impact of specific proposals to reform Social Security programs. These analyses will help decisionmakers refine proposals by informing them of the potential effects on vulnerable populations, Social Security trust funds, and the economy of the United States.

Strategic Objective: Promote policy changes, based on research, evaluation, and analysis, that: shape the SSI program in a manner that protects vulnerable populations, anticipates the evolving needs of SSI populations, and integrates SSI benefits with other benefit programs to provide a safety net for aged, blind, and disabled individuals.

Context

Since the SSI program was implemented in 1974, there have been significant societal changes that have implications for the structure of the program. For example, there have been improvements in health care, advancements in technology, sustained periods of economic stability, an increase in employment opportunities, and changes in the availability of other sources of benefits.

In addition, as the effort to strengthen the OASI and DI programs moves forward, we will need to pay attention to the correlative changes in the SSI program, so that SSI appropriately supplements Social Security benefits. This objective reflects the need to re-examine and refocus the policies that guide the SSI program in response to environmental changes.

FY 2002 Performance Indicators and Goals

Indicator: Identification, development, and utilization of appropriate barometer measures for assessing the effectiveness of the SSI program.

FY 2002 Goal: Update barometer measures and prepare analysis.

Definition: We will consider this goal to be achieved if the Agency issues updated barometer measures with the latest available data and provides analysis of the data. These barometers will be used to help formulate options for strengthening the programs.

Indicator: Preparation of a report and completion of data collection on the National Survey of SSI Children and Families in order to assess the impact of welfare reform, identify areas of potential policy change, and develop options as appropriate.

FY 2002 Goal: Prepare data files for analysis.

Definition: We will consider this goal to be achieved if the Agency prepares the data files for analysis.

MEANS AND STRATEGIES

The following summarizes SSA's most significant activities supporting this objective for FY 2002:

Identification, development, and utilization of appropriate barometer measures for the SSI program:

SSA established a baseline for barometers that provide an indication of the efficacy of the SSI program. These barometer measures will provide information about populations served by the SSI program and identify areas where the program may be strengthened. The barometer measures include indicators of the program's role in protecting vulnerable populations and the effect of the program in combination with other variables (e.g., the reduction in the poverty gap due to SSI, the extent to which supplements to SSI in selected states bring income closer to the poverty level, and the percent of recipients relying on SSI for half or more of their income). The Agency will routinely update the barometer measures as new data are developed. A summary of the barometer measures is included in SSA's FY 2000 Performance and Accountability Report and annual updates will be published in subsequent years' Performance and Accountability Reports.

National Survey of SSI Children and Families: SSA evaluated the impact of the loss of SSI benefits stemming from the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 on children and their families. SSA is also conducting a nationally representative survey of families of SSI children, gathering information about the cost of caring for a disabled child, the uses of SSI benefits, availability of alternative sources of care and other information. This survey fills a major gap in program information and should be the basis for quantitative research on this population. SSA will release a public use version of these survey data. SSA also will begin policy analysis using these data.

SSI simplification: The Agency will continue analyses of options for program simplification and will consider specific proposals for policy change based on these analyses. Additionally, as the Agency assesses any proposal for policy change, it will consider the impact on program complexity.

Strategic Objective: Promote policy changes, based on research, evaluation and analysis, that: shape the disability program in a manner that increases self-sufficiency and takes account of changing needs, based on medical, technological, demographic, job market, and societal trends.

Context

Medical advances, changing attitudes toward disabled beneficiaries and their ability to work, and improved medical treatments and technology, require the disability program to evolve. Part of this evolution will occur by updating SSA's disability medical listings to reflect new treatments and technologies. Our current system of determining eligibility for disability benefits presumes that persons who meet medical listings are severely disabled enough to be unable to work. SSA is developing a model to help monitor and evaluate the listings.

Other changes in the program will provide more incentives for disabled beneficiaries to work and become self-sufficient to the greatest extent possible. SSA will evaluate data on new work incentives included in recently enacted legislation. This will take several years to implement and begin yielding results. The Agency will also gather other information on disabled persons to help us better understand ways in which the Agency can shape the programs to better meet their needs.

FY 2002 Performance Indicators and Goals

Indicator: Preparation of a research design to develop techniques for validating medical listings.

FY 2002 Goal: Report on the status of developing a validation methodology.

Definition: Self-explanatory

Indicator: Preparation of reports on results of the National Study on Health and Activity in order to identify potentially eligible disabled populations, interventions that enable continued work effort among the disabled and guide changes to the disability decision process.

FY 2002 Goal: Report on the status of the main study data collection.

Definition: Self-explanatory.

Indicator: Preparation of analyses of alternative return-to-work strategies.

FY 2002 Goal: Report on the design and implementation of demonstration projects.

Definition: Self-explanatory.

MEANS AND STRATEGIES

To support the evolution of the disability program, SSA is conducting an extensive survey of the disabled population and promoting external research. This will increase available information on program growth, interventions and accommodations that permit disabled persons to remain in the labor force, and will increase available information on issues related to benefit eligibility and work effort by disabled persons. The Agency is also developing methods by which medical listings may be evaluated. The following projects support these efforts:

Research design to develop techniques for validating medical listings: Our current system of determining eligibility for disability benefits is designed to ensure that persons who meet medical listings are severely disabled enough to be unable to work. The project to validate medical listings will develop a methodology to help us evaluate the listings. The framework for validating medical listings should establish appropriate criteria by which to assess the ability to work, identify and adopt appropriate research protocols and statistical methods, and to propose clinical or other testing methods to gather data.

National Study of Health and Activity (NSHA): This research is discussed under the objective to shape the OASI and DI program.

Alternative Return-to-Work strategies: SSA is playing a key role in promoting return-to-work incentives for current beneficiaries. To assure that such initiatives have the optimum impact, it is important to assess them and adjust policy as necessary. We also will go beyond current initiatives and examine further possibilities to assist people with disabilities to improve their independence and well being.

SSA is promoting program changes that increase the self-sufficiency of disabled beneficiaries by implementing a comprehensive strategy to increase the number of beneficiaries with disabilities who work, despite their impairment, and thereby lessen their dependence on the benefit rolls. Key concepts of the employment strategy are:

- Enhancing the individual's financial stability and smoothing the transition away from a dependence on income support programs;
- Providing greater incentives for public and private sector providers of employment and rehabilitation services to serve SSA's beneficiaries;

- Maximizing the employment potential of young people with disabilities; and
- Simplifying program incentives for people who want to work.

Research and analysis initiatives related to assessing and improving this employment strategy include:

Rehabilitation and Return- to-Work research: SSA is conducting or planning research in several areas. A State Partnership Initiative is testing the effects of providing integrated services to beneficiaries with disabilities at the State and local level. An Affective Disorders Treatment Demonstration will identify the extent to which providing free, state-of-the-art pharmacological and psychological treatment will result in beneficiaries with affective disorders receiving better treatment for their condition, increasing the proportion who stabilize their condition, and ultimately improving their capacity for work.

Three initiatives are being planned as an outgrowth of the Ticket-To-Work and Work Incentives Improvement Act (TWWIA). One project will assess the cost-effectiveness of the new ticket program, and provide feedback and recommendations for program modifications as the program is implemented nationwide. A \$1 for \$2 benefit offset demonstration is required under TWWIA. This project will test the effect on returning to work of replacing a benefit “cliff” for working above the Substantial Gainful Activity level with a benefit offset that gradually reduces benefits above specified earnings levels and extending Medicare benefits during the reduced benefit period. An additional early intervention

demonstration is being planned, to assess the effectiveness and efficiency of earlier intervention in assisting DI and SSI applicants to achieve improved financial independence.

SSA is also analyzing trends in disability insurance in non-SSA systems. This will identify practices used by the U.S. private sector, as well as other countries, to help disabled workers return to work. The experiences of these other systems will provide information on successful return-to-work strategies, work incentives, and program design, to help policymakers improve DI program efforts to aid beneficiaries in returning to work. We will develop options for policy changes in cases where the analyses reveal the need for modifications.

Youth Employment Strategies: This initiative will consist of several strategies related to assisting youth in achieving independence. SSA will test various approaches to transition planning from school to work for mentally impaired and other severely disabled students

Disability Research Institute: This Cooperative Agreement was awarded in May 2000 and initially consists of a single center utilizing a network of scholars from a variety of institutions. The Institute will provide research findings in critical disability policy areas, disseminate important findings, provide a mechanism for training scholars in disability research, and assist in finding methods of sharing disability administrative data with researchers.

Strategic Objective: Provide information for decisionmakers and others on the Social Security and Supplemental Security Income programs through objective and responsive research, evaluation, and policy development.

Context

This objective reflects SSA's commitment to strengthen its research, policy analysis and evaluation capabilities, in recognition that these capabilities are essential enablers for accomplishing the other objectives under this strategic goal. Responsive research,

evaluation, and policy development means providing relevant information in the clearest possible manner with an efficient use of resources. These performance goals measure SSA's ability to prioritize many demands for data and research while providing useful and objective information to decisionmakers.

FY 2002 Performance Indicators and Goals

Indicator: Percent of customers assigning a high rating to the quality of SSA's research and analysis products in terms of accuracy, reliability, comprehensiveness, and responsiveness.

FY 2002 Goal:

1. Assess customer satisfaction measurement system.
2. Analyze baseline measures and identify steps to be taken to improve satisfaction with research and analysis products.

Definition: This goal will be considered achieved if the Agency prepares an analysis of the customer satisfaction measurement system and of the baseline measures and identifies steps to be taken to improve satisfaction with SSA's research and analysis products.

Indicator: Percent of major statistical products that are timely.

FY 2002 Goal: Produce major statistical products on schedule.

Definition: This goal will be considered achieved if the Agency identifies major statistical products, issues a schedule for the release of these publications, and produces them on schedule.

MEANS AND STRATEGIES

To achieve this objective, SSA is strengthening its infrastructure for research, evaluation, and policy development. The following are the major activities in progress and planned through FY 2002:

Office of Policy’s publications program: To better target our publications to the appropriate audience, we will update, expand, and code our mailing list. We will also revitalize our exhibit program and have a greater presence at conferences attended by members of our various audiences. At those conferences, we can promote our publications, get feedback about how our print and online publications are meeting our audience’s information needs, and inform attendees about the opportunity to submit papers for the peer-reviewed “Perspectives” section of the *Social Security Bulletin*. We are also advertising the *Bulletin* and a call for papers for “Perspectives” in various scholarly journals.

Retirement Research Consortium (RRC) and Disability Research Institute (DRI): The RRC and DRI are both mechanisms for SSA to fund extramural research in a coordinated fashion, disseminate results of that research, train new scholars and practitioners, and facilitate data access for policy research. These activities will expand information available for decisionmakers and others on Social Security and Supplemental Security Income.

Model development: SSA is developing several projection models (a projected cohorts model, a near-term projection model (MINT), and a macroeconomic

model, as well as models of the disability and SSI processes). SSA is also enhancing the Cornell Dynamic Microsimulation Model and the Employee Benefit Research Institute model for use in SSA policy analysis.

Data development: SSA is developing two special-purpose surveys—the National Study of Health and Activity and the National Survey of SSI Children and Families—to provide data not elsewhere available on its disability populations. SSA is also negotiating two linkages of several of its administrative program data files with survey data collected by the Census Bureau and the National Center for Health Statistics. Thirdly, SSA is negotiating the development of data files from the Census Bureau’s Survey of Income and Program Participation that make them more usable for research.

Data access: SSA is developing a modification to some of its Federal “systems of records” to allow greater access (for research purposes) to SSN and benefit application records. To support the increased statistical use of SSA program data, while protecting individuals’ personal data and personal identity data, SSA will educate users and potential users in types of data available and possible uses of them. We are also making available a newly developed SSA Program Data Users Manual to help outside researchers interpret SSA administrative data. and are enhancing our online data availability. The integration of our print and online publishing efforts will continue, including the prepublication release of updated data on the Web.

Statistical process changes: SSA is developing the capability of producing many of its statistical products in final camera-ready form directly, through obtaining software, providing training, and redesigning tables where needed. The new system greatly improves productivity and quality of printed products. Through the creation of a new database to replace the Annual Report of Earnings, we will produce earnings test data more quickly that is less error prone.

Customer satisfaction survey: SSA has developed a preliminary questionnaire to gather information from customers about the quality of research, analysis and evaluation products. SSA has also identified customers from whom feedback will be elicited. SSA awarded a contract in September 2000 to conduct the survey. The first survey will be conducted in FY 2001. In FY 2002, an assessment will be made of the customer satisfaction measurement system as well as analyzing the first measures and identifying steps to be taken to improve satisfaction with SSA's research and analysis products. Subsequent surveys will be conducted periodically.

Extramural research infrastructure: Through partnering, grants, contracts, interagency agreements, and task orders, SSA encourages research outside the Agency and, most importantly, elicits advice from public policy experts outside SSA. We have put in place a task order mechanism that enables us to use outside researchers to conduct short turnaround policy evaluation studies through an expedited contracting process.

Policy Net/Policy Repository: SSA plans to expand Policy Net, a communications structure that allows SSA users to request and receive policy clarifications and collaborate in development of policy changes. Policy Net enables policymakers to work more closely with users and other stakeholders to ensure we have well thought-out, well coordinated policy and the highest quality policy materials.

Crosscutting Areas with Other Agencies

In contributing to the economic security of our nation's people, SSA's programs intersect with those of many other Federal agencies. We have numerous standing relationships to coordinate programs that are directed toward common populations. In addition, we form ad hoc partnerships as particular program policy issues arise. The following highlights major areas related to research and program policy that we are coordinating with other agencies:

- SSA coordinates benefits to people with disabilities with several agencies, including Department of Labor (DOL), Housing and Urban Development (HUD), Veterans' Affairs (VA) and the Health Care Financing Administration (HCFA).
- SSA and HCFA are working together to increase enrollment in Medicare Part B buy-in programs and the State-option Medicaid program for working disabled people.
- Return-to-work research is being coordinated with DOL and the Department of Education (ED).

- SSA depends upon vocational rehabilitation services provided by State agencies funded and administered by ED. Note: SSA also reimburses State agencies for services provided to certain disability beneficiaries.
- SSA participates with several Federal agencies (i.e., National Institute on Aging, Bureau of Labor Statistics and Census) in planning surveys that provide essential background information for policy research and analysis. These include the Survey of Income and Program Participation, the Health and Retirement Survey and Asset and Health Dynamics of the Oldest Old (AHEAD), and the National Longitudinal Survey of Women.
- SSA provides data to other agencies for various research purposes, including the VA for outreach evaluation, Congressional Budget Office for analysis of legislative proposals, General Accounting Office (GAO) for legislative analysis and for special requests for Congress, and the Bureau of the Census for improved population estimates.
- SSA collaborates with many Federal agencies, such as the Department of Health and Human Services (DHHS), the Bureau of the Census, and the Department of Agriculture in assessing the effects of welfare reform legislation on participation in SSI, DI and other government programs.
- SSA has in place Technical Support Groups that include both government and academic experts to provide independent technical comments that will ensure high quality output from evaluation contracts.
- SSA participates in several collaborative efforts to improve our Federal statistical systems and reduce burden and cost. Activities include meeting with subject-matter groups such as those related to aging, children and families and disability, developing data in the health and welfare area, discussing measurement issues such as an improved poverty index, sharing concerns about confidentiality and data access, and disseminating Federal statistics through a common site on the Internet.
- SSA co-chairs conferences with other Federal agencies, such as the Department of Education, focusing on enhancing work opportunities for individuals with disabilities.