



SOCIAL SECURITY ADMINISTRATION

Funding Highlights:

- Provides \$12.5 billion, an increase of \$1 billion above 2010, to keep the President's promise to reduce the backlog of disability claims. To pursue cost savings, the Budget provides resources to more effectively and efficiently process disability reviews and to enhance long-term program integrity.
- Invests in increased program integrity by providing \$938 million, targeted at expanding efforts that ensure the agency makes payments to the right person and in the right amount, in order to generate cost savings.
- Proposes an interagency pilot to improve outcomes for children in the Supplemental Security Income program.
- Proposes a pilot program to explore ways to help disabled Americans return to work.

The Social Security Administration (SSA) administers the Old Age, Survivors, and Disability Insurance program and the Supplemental Security Income (SSI) program. The President believes that all Americans should have the opportunity to retire with dignity. To fund this commitment, the President's Budget includes \$12.5 billion for SSA operations; an increase of \$1 billion above 2010 to keep the President's commitment to reduce the backlog of disability claims. The Budget also reflects the need to find areas for cost savings wherever possible. Accordingly, the Budget includes funding to more effectively and efficiently process thousands of continuing disability reviews to enhance program integrity for long-term savings, and supports disability pilot programs to help ensure that only successful and cost-effective programs are implemented.

Protects Social Security. The President recognizes that Social Security is indispensable to workers, people with disabilities, seniors, and survivors and is probably the most important and most successful program ever established in the United States. Based on current forecasts, Social Security can pay full benefits until 2037. The President is committed to making sure that Social Security is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security and looks forward to working in a bipartisan way to preserve it for future generations. The President has laid out six principles for reform, which will guide bipartisan talks on strengthening Social Security in the long term.

Pursues New Ways to Improve Service Delivery

Pilots a Simpler Approach to Disability Work Rules. The Administration proposes a new Disability Insurance Work Incentives Simplification Pilot (WISP) to provide beneficiaries a simpler set of work rules that no longer terminates benefits based solely on earnings. As a result, beneficiaries would have more flexibility to try working when it is best for their needs, without fear of losing their benefits. The Administration also proposes five-year reauthorization of SSA's section 234 demonstration authority for the Disability Insurance program, allowing SSA to test other program innovations. The Administration will work with the Congress to develop a fully offset legislative package for these proposals.

Improves Services for Children with Disabilities. The Administration proposes an interagency pilot, Promoting Readiness of Minors in SSI (PROMISE), to improve outcomes for children in the SSI program. With \$40 million in funding between Department of Education and SSA, the Budget will provide competitive grants to test and evaluate interventions that successfully improve child and family outcomes and result in children leaving the SSI program.

Improves Tax Administration by Restructuring the Federal Wage Reporting Process. The Administration proposes to restructure the Federal wage reporting process by reverting to quarterly wage reporting. Currently, wages are reported to the Federal Government once a year. Increasing the timeliness of wage reporting would enhance tax administration and improve program integrity for a range of programs. The

Administration will work with the States to ensure that the overall reporting burden on employers is not increased.

Reduces the Disability Claims Backlog. Disability programs are at the forefront of the agency's operations. The Budget funds SSA to lower the initial claims backlog to 632,000 by processing over three million claims. By hearing approximately 822,500 cases in 2012, the backlog will fall to 597,000 hearings pending. The wait time for a hearings decision will fall below a year for the first time in a decade. In addition, the Administration will establish a Disability Research Center through the Social Security Administration's research office. This Center will work across agencies and in collaboration with outside researchers to improve the quality of disability research.

Cuts Waste

Steps up Efforts to Reduce Payment Errors and Boost Program Integrity. SSA's program integrity efforts are part of a strong framework for making sure the Government is spending tax dollars efficiently and that SSA pays benefits only to eligible beneficiaries and in the correct amounts. The President's Budget provides \$938 million for SSA program integrity, including an increase of more than 60 percent in the level of medical Continuing Disability Reviews over the prior year. Continuing Disability Reviews make sure that Disability Insurance and SSI recipients continue to meet the medical criteria for those programs. The Budget includes additional processing capacity within the agency devoted to program integrity, which will lead to over \$260 million in further savings.

Social Security Administration

(In millions of dollars)

	Actual 2010	Estimate	
		2011	2012
Spending			
Discretionary Budget Authority:			
Limitation on Administrative Expenses (LAE) Base ¹	11,304		12,358
Office of Inspector General	103		107
Research and Development.....	42		31
Total, Discretionary budget authority.....	11,449	12,169	12,496
<i>Memorandum:</i>			
American Recovery and Reinvestment Act rescission ²	-47	—	—
Total, Discretionary outlays	11,298	12,538	12,506
Mandatory Outlays:			
Old-age, Survivors, and Disability Insurance	700,719	727,617	760,669
Supplemental Security Income ³	47,255	52,720	47,565
Special Benefits for Certain World War II Veterans	8	9	7
Offsetting Collections	-26,313	-106,027	-58,614
Economic Recovery Payments	117	30	—
Legislative proposals.....	—	14,270	-45
All other	22,862	102,354	55,056
Total, Mandatory outlays	744,648	790,973	804,638
Total, Outlays	755,946	803,511	817,144

¹ The LAE account includes funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for services that support the Medicare program, including implementation of Medicare Reform.

² Section 318 of P.L. 111-26 rescinded \$47 million from SSA's ARRA funds.

³ This amount does not include the effect of State Supplementation offsetting collections.