Social Security

Performance Plan
for Fiscal Year 2006

and Revised Final Performance Plan for Fiscal Year 2005

A Message from the Commissioner

I am pleased to present the Social Security Administration's *Fiscal Year 2006 Annual Performance Plan (APP) and Revised Final Plan for FY 2005.* Our strategies for delivering results and the level of performance the public can expect from us over the next two fiscal years are explained in this document.

This APP continues to reflect the priorities in Social Security's Strategic Plan and our responsibility for achieving the objectives of the President's Management Agenda. It also describes our commitment to meeting the goals of the Office of Management and Budget's Performance Assessment Rating Tool.

When I was first appointed Commissioner, I asked for a review of all our workloads. One of our greatest challenges at that time, to give the American people the service they expect and deserve, is still among my highest priorities. We also remain dedicated to being good stewards of the taxpayers' money, maintaining the integrity of the trust funds and supporting our staff.

The employees of Social Security and the State Disability and Determination Services share a deep commitment to finding the best ways to be even more responsive to everyone who depends on our service and sound fiscal stewardship. I believe that by working together we will continue to improve our performance.

Jo Anne B. Barnhart
Commissioner

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Introduction –

SSA's Results-Oriented Performance

As described in the July 2004 *OMB Circular No. A-11*, a performance budget is organized as a hierarchy of goals, with strategic goals at the top of the pyramid and related performance measures and performance goals following. To help achieve the Social Security Administration's (SSA) mission, this *Annual Performance Plan* (APP), which is included in the Agency's performance budget, lays out such an approach and describes how SSA will strategically achieve better performance and accountability in FY 2005 and FY 2006.

SSA's Mission
To advance the economic security of the nation's people through compassionate and vigilant leadership in shaping and managing America's social security programs

At the top of SSA's pyramid are four strategic goals—Service, Stewardship, Solvency, and Staff. This APP is arranged by strategic goal and strategic objective, along with long-term outcomes, related performance measures and performance targets. The environmental factors that may affect accomplishment of a strategic objective are also included.

Service

To deliver high-quality, citizen-centered Service

SSA is committed to delivering service the public expects from the Agency's programs. This includes providing a measure of economic security and financial stability. Service to the public also includes consideration of accuracy, productivity, cost, timeliness and service satisfaction. Changes in demographics, medical and technological advances, and other related environmental factors are affecting service delivery, particularly with respect to SSA's disability programs. The Agency is responsible for continually assessing these programs in the context of societal trends and supporting reforms to ensure the programs meet the needs of current and future beneficiaries.

With over 1,500 Field Offices, Regional Offices, Teleservice Centers (800-number), Program Service Centers, Hearing Offices, and SSA's website (www.social.security.gov), the Agency will provide almost 53 million people with monthly cash benefits in FY 2006.

Environmental Factors

SSA faces great challenges in providing the public the service it expects and deserves, particularly as the number of beneficiaries increases each year with the aging of the baby boomers. The number of Social Security retirement, survivor, disability and Supplemental Security Income (SSI) claims will grow significantly over the next decade. In addition, SSA's 2004 *Retirement Wave Report* states that projected retirements for employees on duty as of October 1, 2003 will cumulatively reach 21 percent of the Agency's current workforce by 2008. By 2013, over 50 percent of the workforce will have reached retirement eligibility.

Many changes in law, medicine, technology and society have transpired since SSA's Title II and Title XVI disability programs were established. The workplace has been made more accessible through advances in technology and legislation. Impairments in the past that may have been permanent or completely disabling can now be treated. These and other changes have altered the concept of disability.

Improving technology also affects the way the Agency delivers service by phone and in-person. The public's satisfaction with using new technologies continues to be a priority. From 1999 until 2002, SSA was one of the top two Federal agencies in the *American Customer Satisfaction Index*. In 2003, the Agency's score decreased from 82 to 81, but still was ranked among the top four Federal agencies. Although SSA expects to make great strides to improve service through technology, there are significant external factors that may affect the Agency's ability to improve the satisfaction levels of the people who do business with it.

Increased use of the Internet and advances in electronic communication technology provide the public with greater access to services and allows SSA to more efficiently reach them. Increased use of new technology raises far-reaching questions about security, safety, and privacy.

Another challenge the Agency faced due to the Azdell court case was the inability to replace Administrative Law Judges who have retired or left during the last few years. This has seriously affected SSA's ability to reduce hearings backlogs and has resulted in modifications of the Agency's targets in the hearings workloads.

SSA will also have new challenges and responsibilities as the Agency helps to implement the President's *Medicare Prescription Drug, Improvement, and Modernization Act of 2003*. SSA will answer general inquires, make referrals, and send correspondence to individuals identified as low-income who may be eligible for the new prescription drug discount card. Additionally, SSA will determine low-income senior and/or disabled eligibility for additional drug benefit subsidies under *Medicare Part D*. The Agency will also calculate *Medicare Part B* premiums for high income beneficiaries and withhold the premiums from beneficiaries' Social Security payments.

Stewardship

To ensure superior Stewardship of Social Security programs and resources

Individuals who contribute to the Social Security and SSI trust funds through payroll deductions, self-employment taxes, or income taxes need to be confident their tax dollars are properly managed. Beneficiaries must be guaranteed their benefits are accurate and received timely.

Good stewardship goes beyond good money management. It includes ensuring the security of SSA's information systems and the integrity and privacy of the personal information that SSA maintains. It is also an obligation to provide safe and secure environments in which employees can work and the public can transact business.

Environmental Factors

Information technology has altered the way the public interacts with government and the way government agencies interact with each other. SSA's ability to obtain, verify, and match information and data electronically with other governmental agencies and organizations helps prevent and detect improper payments in the Old-Age, Survivors and Disability Insurance (OASDI) and SSI programs. The widespread interconnectivity of computer systems and the critical operations and infrastructures they support create new security-related vulnerabilities.

The terrorist attacks of September 11, 2001 reinforced the need for a concerted long-term effort to address these challenges. The Government Accountability Office (GAO) and SSA's Office of the Inspector General (OIG) identified Social Security Number (SSN) Integrity and Protection as a major management challenge. The Social Security Advisory Board has expressed concern that the fraudulent use of the SSN has become a significant public

policy issue that is expected to grow as the number of SSN-related crimes escalates. Strengthening the enumeration and verification process is a top Agency priority.

Resource restraints required the Agency to divert resources away from program integrity work, e.g., continuing disability reviews (CDRs), to address the backlogs in initial disability claims and post-entitlement.

Solvency

To achieve sustainable Solvency and ensure Social Security programs meet the needs of current and future generations

The nation's population is growing older, with profound, long-term effects on the sustainable solvency of Social Security programs. In the *2004 Annual Report of Social Security's Board of Trustees*, which includes 75-year projections, the Trustees state that Social Security is unsustainable over the long term at present payroll tax and scheduled benefit levels. Additionally, the Comptroller General of the United States and the Chairman of the Federal Reserve also have testified that Social Security is unsustainable over the long term.

New patterns of work and earnings, marriage, divorce and childbearing are changing the characteristics of families. Individuals are living longer and healthier lives. About 80 million baby boomers are approaching retirement, and in about 30 years, there will be nearly twice as many older individuals as there are today. Life expectancy is increasing and births are expected to be below population replacement rates. SSA must respond to these developments by educating the public on long-term financing issues affecting solvency and serving as a resource for analysis. Through these actions, the Agency will be better able to support reforms in what are arguably the nation's most important domestic programs, and ensure that those programs remain secure and meet the needs of current and future generations.

Environmental Factors

Today, about 3.3 workers pay into Social Security for every person receiving benefits. By 2030, this ratio is expected to decline to about 2.2 to 1. Social Security now collects more in taxes than it pays out in benefits. According to the *2004 Trustees Report*, Social Security expenditures are expected to exceed tax revenue starting in 2018. If there are no changes in the law, then the trust funds are projected to become exhausted in 2042 and the taxes would thereafter be insufficient to cover the full cost of the program.

SSA must respond to these developments by educating the public on long-term financing issues affecting solvency, providing/serving as a resource for analysis, etc., and ensuring the programs meet the needs of today's and tomorrow's beneficiaries.

Staff

Strategically manage and align Staff to support SSA's mission

SSA will strive to maintain a high-performing workforce and enhance productivity through automation, job enrichment opportunities and training, succession planning, leadership development, new performance management systems, and other service enhancements while dealing with significant workload growth and increasing numbers of retirements. Through this goal, SSA addresses each dimension of the President's Management Agenda (PMA) Human Capital Initiative. The Staff goal differs from the other three strategic goals. It is an enabling goal in that its corresponding performance measures address human capital issues that support delivering high-quality service, and ensuring superior stewardship and achieving sustainable solvency of Social Security programs.

Environmental Factors

SSA's employee retirement wave will affect the Agency's ability to deliver service to the public. SSA will be faced with the continuing challenge of recruiting, hiring, developing, and retaining a highly skilled and diverse workforce that can effectively meet changing mission requirements and program priorities.

The *2004 Retirement Wave Report* states that projected retirements for employees on duty as of October 1, 2003 will reach 21 percent of SSA's current workforce by 2008. Absent planning and action, the Agency's retirement wave will not only affect its ability to deliver service to the American public, but also will result in a significant strain on its institutional knowledge.

Summary of FY 2006 and Revised Final FY 2005 Annual Performance Plan (APP) Performance Measures

The *Agency Strategic Plan* for FYs 2003 - 2008 is the basis for this APP. The *Agency Strategic Plan* reflects the Social Security Administration's (SSA's) priorities to give the public the service it deserves, improve program integrity through sound fiscal stewardship, ensure the program's financial solvency for future generations, and maintain the quality staff SSA needs to meet its first three goals.

The chart below is a complete summary of performance goals in the *FY 2006 APP and Revised Final FY 2005 APP*.

Service: *To deliver high-quality, citizen-centered Service*

Strategic Objective 1.1
Make the right decision in the disability process as early as possible

Long-Term Outcomes

- Reduce significantly the time it takes for a disability claimant to receive a final Agency decision
- Eliminate backlogs in disability initial claims by 2008, and in hearings and appeals by 2010

Performance Measures	FY 2005 Goal	FY 2006 Goal
Number of initial disability claims processed by the Disability Determination Services (DDS)	2,677,000	2,605,000
Maintain the number of initial disability claims pending in the DDS (at or below the FY 2005/2006 goal)	592,000	592,000
Number of SSA hearings processed	525,000	580,000
Maintain the number of SSA hearings pending (at or below the FY 2005/2006 goal)	714,000	723,000
Number of appellate actions processed	1,158,412	1,072,100
Average processing time for initial disability claims	93 days	91 days
Average processing time for hearings	442 days	442 days
Reduce the average number of days needed to process hearings appeals	250 days	225 days
DDS net accuracy rate (allowances and denials combined)	97%	97%
Disability hearings accuracy rate	90%	90%
Agency decisional accuracy rate	97%	97%

Strategic Objective 1.2
Increase employment for people with disabilities

Long-Term Outcomes

- By 2008, increase by 50% from 2001 levels the number of Disability Insurance (DI) and Supplemental Security Income (SSI) disability beneficiaries who achieve employment
- Establish with the Department of Labor (DOL) a nationwide network of employment support staff in One-Stop Career Centers to serve Social Security beneficiaries with disabilities
- Test the impact of Early Intervention, Youth Transition Process Demonstration, and DI Benefit Offset

Performance Measures	FY 2005 Goal	FY 2006 Goal
Number of DI and SSI beneficiaries, with tickets assigned, who work (over CY 2003 baseline of 2,726)	3,816 (40%)*	4,360 (60%)*
Number of SSI disabled beneficiaries earning at least $100 per month	255,637 (5%)**	268,419 (5%)**

*Calendar Year (CY) goals
**Over prior year's goal

Strategic Objective 1.3
Improve service through technology

Long-Term Outcomes

- Eliminate backlogs in operational work by 2008
- Substantially increase use of electronic services
- By 2005, substantially complete the most significant projects in the *Social Security Unified Measurement System* (SUMS) plan, and complete the plan by the end of 2008

Performance Measures	FY 2005 Goal	FY 2006 Goal
Retirement and Survivor Insurance (RSI) claims processed	3,458,000	3,506,000
Optimize the speed in answering 800-number calls	330 seconds	330 seconds
Optimize the 800-number Agent busy rate	10%	10%
Increase the usage of electronic entitlement and supporting actions	120% growth * (649,482)	180% growth* (826,613)
Increase the percent of employee reports (*W-2 forms*) filed electronically	60%	70%
Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good"	83%	83%
Improve workload information using *Social Security Unified Measurement System* (SUMS)	Complete 46% of SUMS Projects	Complete 80% of SUMS Projects

*Growth over FY 2003 baseline of 295,219

Stewardship: *To ensure superior Stewardship of Social Security programs and resources*

Strategic Objective 2.1
Prevent fraudulent and improper payments and improve debt management

Long-Term Outcomes
- By 2008, increase SSI payment accuracy to 96% (free of preventable error)
- Maintain Old-Age, Survivors and Disability Insurance (OASDI) payment accuracy at 99.8%
- Increase the percent of outstanding debt that is in a collection arrangement
- Remain current with DI continuing disability reviews (CDR) and regain currency with SSI CDRs
- Finish processing special disability cases by 2010
- Reduce the number of pending workers' compensation cases

Performance Measures	FY 2005 Goal	FY 2006 Goal
SSI non-disability Redeterminations	1,696,000	2,052,000
Periodic CDRs processed	1,384,000	1,632,000
Percent of SSI payments free of preventable overpayments (O/P) and underpayments (U/P)	94.9% O/P 98.8% U/P	95.4% 98.8%
Percent of outstanding SSI debt in a collection arrangement	53%	
Percent of OASDI payments free of O/P and U/P	99.8% O/P and U/P	
Percent of outstanding OASDI debt in a collection arrangement	42%	

Strategic Objective 2.2
Strengthen the integrity of the Social Security Number (SSN)

Long-Term Outcome
- Ensure SSNs are only issued based on verified documents

Performance Measures	FY 2005 Goal	FY 2006 Goal
Percent of SSNs issued that are free of critical error	99.8%	
Process 99% of SSN requests received	99%	

Strategic Objective 2.3
Increase the accuracy of earnings records

Long-Term Outcome

- Beginning with 2005, remove 5% of the earnings items added to the earnings suspense file each year and post them to the correct earnings record

Performance Measures	FY 2005 Goal	FY 2006 Goal
Process 99% of annual earnings items received	99%	
Increase the percent of incoming earnings items removed from the earnings suspense file for a new tax year	5%	

Strategic Objective 2.4
Efficiently manage Agency finances and assets, and effectively link resources to performance outcomes

Long-Term Outcomes

- Increase productivity by at least 2% annually on average through 2008
- Annually receive an unqualified opinion on SSA's annual financial statements with no material weaknesses reported by the auditors
- By 2006, substantially complete the most significant projects in the *Managerial Cost Accountability System* (MCAS) plan, and complete the plan by the end of 2008
- Get to "green" on all five *President's Management Agenda* (PMA) initiatives

Performance Measures	FY 2005 Goal	FY 2006 Goal
Increase Agency productivity by 2% annually on average	2%	
DDS cases processed per workyear (PPWY)	278	284
Number of SSA hearings cases processed per workyear (PPWY)	103	105
Maintain zero outside infiltrations of SSA's programmatic mainframes	0	
Enhance efforts to improve financial performance using *Management Cost Accountability Systems* (MCAS)	Complete 15% of MCAS projects	Complete 52% of MCAS projects
Receive an unqualified opinion on SSA's financial statements from the auditors	Receive an unqualified opinion	
Get to "green" on four of five *President's Management Agenda* (PMA) initiatives	Maintain an overall rating of "green" on four of five PMA initiatives	

Solvency: *To achieve sustainable Solvency and ensure Social Security programs meet the needs of current and future generations*

Strategic Objective 3
Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs

Long-Term Outcome
- Achieve reform that ensures long-term solvency

Performance Measures	FY 2005 Goal	FY 2006 Goal
Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms	
Measure the public's knowledge of Social Security programs and related issues, including long-range financing	Develop a new performance measure and establish related goals	TBD
Issue annual SSA-initiated *Social Security Statements* to eligible individuals ages 25 and older	100%	100%

Staff: *Strategically manage and align Staff to support SSA's mission*

Strategic Objective 4
Recruit, develop, and retain a high-performing workforce

Long-Term Outcomes
- Increase skill levels by developing and implementing a systematic approach to make training competency-based
- Implement multi-tiered performance management and communications systems linked to Agency goals and objectives that recognize and reward superior performance

Performance Measures	FY 2005 Goal	FY 2006 Goal
Minimize skill and knowledge gaps in mission-critical positions	Identify job-specific competencies for 100% of the remaining targeted public contact positions—Benefit Authorizers, Claims Authorizers, and Technical Support Technicians	Competency-based entry-level training will be developed for 100% of targeted public contact positions
Align employee performance with Agency mission and strategic goals	• Implement a multi-tiered results-oriented performance assessment system for wage grade and GS-14 and below employees who are covered by the SSA/American Federation of Government Employees (AFGE) National Agreement during the fiscal year in which the new agreement is implemented *Note: This goal is contingent on completion of union negotiations* • Develop a communication plan to facilitate implementation of the new performance plan after completion of union negotiations	TBD

Summary of PART Measures

The Office of Management and Budget (OMB) has established a system of effectiveness ratings to be performed on a percentage of Federal programs. OMB developed the *Program Assessment Rating Tool* (PART) with advice from the President's Management Council's subgroup on Budget Performance and Integration and input from Federal agencies. The PART is a diagnostic tool used to examine different aspects of program performance to identify the strengths and weaknesses of a given Federal program. The Disability Insurance (DI) and Supplemental Security Income (SSI) Aged programs were selected for the initial assessment period and the results were published in the *FY 2004 President's Budget*. The same two programs were reevaluated and the results were published in the *FY 2005 President's Budget*. For FY 2006, OMB is using PART to assess the SSI Aged, Blind, and Disabled program, and the Disability program. The results will be published in the *FY 2006 President's Budget*.

SSI PART Long-Term Outcomes

- Reduce the ratio of SSI beneficiaries below 70% of poverty to 16% by 2010
- Reduce the percentage of people dependent on SSI for more than 90% of their income to 45% by 2010

PART Performance Measures (SSI and DI)	**FY 2005 Goal**	**FY 2006 Goal**	**Page**
Average processing time for initial disability claims (DI & SSI PARTs)	93 days	91 days	5
Average processing time for hearings (DI PART)	442 days	442 days	5
DDS net accuracy rate (allowances and denials combined) (DI & SSI PARTs)	97%		5
Number of DI and SSI beneficiaries, with tickets assigned, who work	3,816	4,360	6
Percent of SSI payments free of preventable overpayments (SSI PART)	94.9%	95.4%	7
Percent of SSI payments free of preventable underpayments (SSI PART)	98.8%		7
Disability Determination Services (DDS) cases processed per workyear (DI PART)	278	284	8
Number of SSA hearings cases processed per workyear (DI & SSI PARTs)	103	105	8
Percent of SSI Aged claims processed by the time the first payment is due or within 14 days of the effective filing date (SSI PART) *(Note: Not a performance measure for the APP)*	75%		N/A

Federal Information Security Management Act

The Government Accountability Office (GAO), in its audit of 26 major agencies, (GAO-04-49 - Information Technology Management – Government-wide Strategic Planning, Performance Measurement and Investment Management Can Be Further Improved), cited agencies for failing to include in their Annual Performance Plan the resources and time periods required to implement the Agency's information security program plans as required by the Federal Information Security Management Act (FISMA), Section 3544(d).

Social Security Administration's FISMA Statement

The Social Security Administration's (SSA) established *Systems Application Development Life Cycle* is an institutionalized procedure which contributes to the requirements of FISMA. This involves human resources from various Agency components. The reporting process alone for FISMA itself (annual and quarterly reports preparation, auditor meetings, and documentation) requires at least 7 to 9+ work years annually. Also, anywhere from 5 1/2 to 7 1/2 percent of the total Information Technology budget is spent on security--an amount which exceeded $79 million in FY 2003. SSA implemented all FISMA major program requirements within 18 months after the enactment of the FISMA in December 2002. A Congressional report card rates Social Security's computer security efforts as among the best in the Federal Government. The report card issued by the House Government Reform Subcommittee on Technology, Information Policy, Intergovernmental Relations and Census, gave SSA a grade of "B+," the third highest among Federal agencies, with grading based upon the FISMA reporting requirements.