



Social Security Administration (SSA): Budget Issues

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Summary

The Social Security Administration (SSA) administers the Old Age and Survivors Insurance (OASI), Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), and Special Benefits for Certain World War II Veterans programs that affect the lives of nearly every American family. These programs pay out over \$800 billion in annual federal benefits. Program benefit costs are considered mandatory spending not subject to annual appropriations.

The SSA requires annual discretionary appropriations to administer these programs and to provide support to the Medicare and Medicaid programs. The President's FY2012 budget request for SSA administrative expenses, referred to as the limitation on administrative expenses (LAE) account, is \$12.6 billion.

This report provides an overview of the SSA's mandatory spending but largely focuses on discretionary appropriations for the agency's administrative expenses. The size of the annual appropriations for administrative expenses affects the agency's ability to effectively administer the SSA's benefit programs as well as conduct program integrity activities designed to ensure that only eligible persons receive federal benefits.

The agency has made progress in recent years in reducing the backlog of pending disability cases and reversing the trend in declining program integrity activities. However, the SSA rarely receives administrative funding equal to the President's request or its own independent budget request, and this trend continues given the status of funding, via a series of continuing resolutions for FY2011. These extended continuing resolutions and LAE appropriations that are below the President's budget request may make it difficult for the SSA to build on this progress.

For FY2011, the total SSA LAE appropriation is \$11.4 billion, taking into account the 0.2% across-the-board rescission. In addition, \$275 million was also rescinded from the SSA's no-year ITS account.

The Budget Control Act of 2011, P.L. 112-25, which caps discretionary spending and increases the federal government's statutory debt limit includes a provision to adjust the discretionary spending caps to permit additional appropriations to the SSA for program integrity activities.

Contents

| | |
|--|----|
| Social Security Administration Programs | 1 |
| Old-Age and Survivors Insurance | 1 |
| Social Security Disability Insurance..... | 2 |
| Supplemental Security Income | 2 |
| Special Benefits for Certain World War II Veterans | 3 |
| Social Security Administration Budget Request..... | 3 |
| President's Budget Request | 3 |
| A. Payments to the Social Security Trust Funds | 3 |
| Payments not Subject to Annual Appropriations | 3 |
| Payments Subject to Annual Appropriations..... | 4 |
| B. SSI Program..... | 5 |
| Administrative and Other Expenses..... | 5 |
| C. Office of the Inspector General | 6 |
| D. Limitation on Administrative Expenses | 6 |
| Processing Social Security and SSI Claims and Hearings | 7 |
| Program Integrity Activities..... | 9 |
| User Fees..... | 10 |
| Research and Demonstrations..... | 11 |
| Carryover | 11 |
| SSA Commissioner's Budget | 11 |
| FY2011 Funding..... | 12 |
| SSA Program Integrity Funding Provisions in the Budget Control Act of 2011 | 13 |

Figures

| | |
|--|----|
| Figure 1. Projected Spending on SSA Programs | 4 |
| Figure 2. SSA Total LAE Budget Authority | 7 |
| Figure 3. New Claims for Social Security and SSI Benefits | 8 |
| Figure 4. SSA Hearings Pending at the End of Each Fiscal Year | 9 |
| Figure 5. SSA Program Integrity Activities | 10 |
| Figure 6. SSA Administrative Budget Requests and Appropriations..... | 12 |

Social Security Administration Programs

The programs administered by the Social Security Administration (SSA) touch the lives of nearly every American family and are key components of the nation's economic safety net for the aged and disabled. In FY2012, the SSA projects total spending of \$818 billion on program benefits and administrative costs, with the majority of this spending for benefits and administration of the Old-Age and Survivors Insurance (OASI) program. The SSA also administers the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs and provides Special Benefits to Certain World War II Veterans.

The President's budget request for total administrative expenses for the SSA for FY2012 is \$12.6 billion. The total appropriation for SSA administrative expenses in FY2010 was \$11.5 billion, and this is the amount currently available for FY2011 under the continuing resolution funding the SSA in lieu of an appropriations act.

Spending on benefit payments for the SSA's programs is considered *mandatory* spending. Spending for the cost of administering these programs, as well as providing for other administrative responsibilities of the SSA is considered *discretionary* spending.¹

Old-Age and Survivors Insurance

The Old-Age and Survivors Insurance (OASI) program is the largest program administered by the SSA. OASI provides cash benefits to insured workers upon retirement and to their spouses, dependents, and survivors. Workers are insured for OASI by working at jobs covered by the Social Security system and paying payroll taxes that finance benefits. OASI benefits and administrative costs are paid out of the federal OASI trust fund.

FY2012 OASI Projections²

Average monthly beneficiaries: 45.4 million
Benefit outlays: \$620.6 billion
Administrative and other costs: \$7.9 billion³
Total program spending: \$628.6 billion

¹ For additional information on mandatory and discretionary spending in the federal budget see CRS Report RL33074, *Mandatory Spending Since 1962*, by D. Andrew Austin and Mindy R. Levit and CRS Report RL34424, *Trends in Discretionary Spending*, by D. Andrew Austin and Mindy R. Levit.

² Social Security Administration, *FY2012 President's Budget: Key Tables*, February 2011, Tables 3-4, <http://www.ssa.gov/budget/2012KeyTables.pdf>; hereafter cited as SSA, *FY2012 Key Tables*.

³ Includes administrative expenses, payments to vocational rehabilitation and Ticket to Work providers, demonstration projects, payments to the Railroad Retirement Board, and the quinquennial adjustment for military wage credits appropriated in FY2002 and FY2008.

Social Security Disability Insurance

The Social Security Disability Insurance (SSDI) program pays cash benefits to insured workers unable to work because of significant long-term disabilities.⁶ The spouses, dependents, and survivors of disabled workers are also eligible for benefits. SSDI benefits continue until the disabled worker dies, returns to work, or reaches full retirement age, at which point he or she transitions to the OASI program. SSDI benefits and administrative costs are paid out of the federal Disability Insurance (DI) trust fund.

FY2012 SSDI Projections⁴

Average monthly beneficiaries: 10.8 million

Benefit outlays: \$134.5 billion

Administrative and other costs: \$3.9 billion⁵

Total program spending: \$138.3 billion

Supplemental Security Income

The Supplemental Security Income (SSI) program pays cash benefits to low-income aged, blind, and disabled persons, regardless of their Social Security insured status.¹⁰ Disabled children are eligible for SSI. To be eligible for SSI, a person must have limited income and assets. SSI benefits are reduced by other countable income meaning that SSI is often a program of last resort for low-income aged, blind, and disabled persons. SSI benefits and administrative costs are paid out of general revenue.

FY2012 SSI Projections⁷

Average monthly federal recipients: 8.1 million

Benefit outlays: \$47.6 billion

Administrative and other costs: \$3.9 billion⁸

Total program spending (net state fees): \$51.2 billion⁹

⁴ SSA, *FY2012 Key Tables*, Tables 3-4.

⁵ Includes administrative expenses, payments to vocational rehabilitation and Ticket to Work providers, demonstration projects, payments to the Railroad Retirement Board, and the quinquennial adjustment for military wage credits appropriated in FY2002 and FY2008.

⁶ For additional information on the SSDI program see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Umar Moulta-Ali.

⁷ SSA, *FY2012 Key Tables*, Tables 6-7.

⁸ Includes administrative expenses, payments to vocational rehabilitation and Ticket to Work providers, and research expenses.

⁹ Total projected SSI program spending does not include the fees paid by ten states and the District of Columbia to the SSA to administer their state SSI supplement programs.

¹⁰ For additional information on the SSI program see CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*.

Special Benefits for Certain World War II Veterans

The SSA pays Special Benefits to Certain World War II Veterans to low-income World War II veterans who are living outside of the United States.¹³ Established in 1999, this program is designed to provide a minimum cash benefit to two groups: low-income American veterans; and low-income veterans of the Filipino armed forces that fought

alongside the American military during World War II. Beneficiaries must currently live outside of the United States, and usually live in the Philippines. The cost of these benefits and their related administrative costs are paid out of general revenue.

FY2012 Special Benefits for Certain WWII Veterans Projections¹¹

Average monthly beneficiaries: 1,000

Benefit outlays: \$8 million

Administrative and other costs: \$1 million¹²

Total program spending: \$9 million

Social Security Administration Budget Request

President's Budget Request

The President's budget request to Congress for the SSA currently consists of four accounts: payments to the Social Security trust funds, the SSI program, the Office of the Inspector General (OIG), and limitation on administrative expenses (LAE).

A. Payments to the Social Security Trust Funds

This account is designed to reimburse the OASI and DI trust funds for the costs of certain activities payable by general revenue. This account consists of payments permanently and indefinitely authorized and thus not subject to annual appropriations, and payments subject to annual appropriations.

Payments not Subject to Annual Appropriations

For FY2012, the President's budget projects \$55 billion in payments not subject to annual appropriations.¹⁴ Of this amount, \$30.6 billion is the projected reimbursement to the OASI and DI trust funds from general revenue to account for the reduction in the Social Security payroll tax rate from 6.2% to 4.2% in calendar year 2011.¹⁵ In addition, \$24.3 billion is from the taxation of

¹¹ SSA, *FY2012 Key Tables*, Table 8.

¹² Includes program administrative costs only.

¹³ For additional information on Special Benefits for Certain World War II Veterans see CRS Report RL33876, *Overview of Filipino Veterans' Benefits*, by Christine Scott, Sidath Viranga Panangala, and Carol D. Davis.

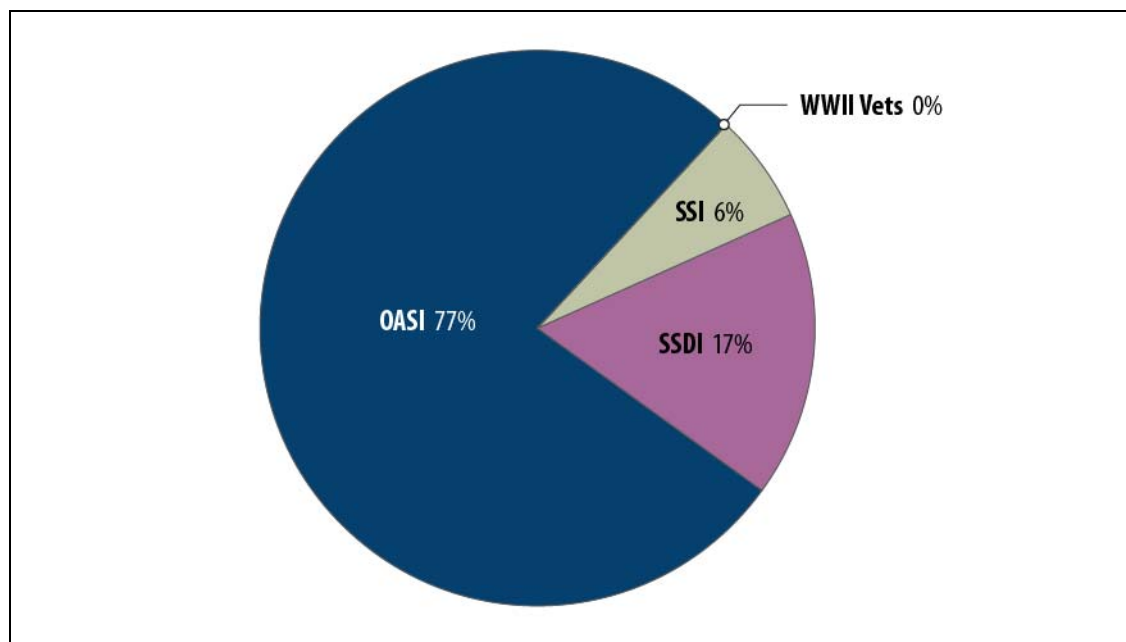
¹⁴ Social Security Administration, *Justifications of Estimates for Appropriations Committees, Fiscal Year 2012*, February 2011, p. 11, <http://www.ssa.gov/budget/2012FullJustification.pdf>, hereafter cited as SSA, *FY2012 Budget Justification*.

¹⁵ Title VI, Section 601 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, P.L. 111-312, reduced the Social Security payroll tax rate paid by employees in calendar year 2011 from 6.2% to 4.2% and required the OASI and DI trust funds to be reimbursed for revenue lost from general revenue. Because calendar year 2011 covers parts of both FY2011 and FY2012, an estimated \$79.4 billion in these reimbursement payments will (continued...)

Social Security benefits. The remaining amounts are from reimbursement for union administrative expenses, Social Security payroll tax credits, and payments related to changes in the reporting of self-employment income.¹⁶

Figure I. Projected Spending on SSA Programs

FY2012



Source: Social Security Administration, *FY2012 President's Budget: Key Tables*, February 2011, Table 3, <http://www.ssa.gov/budget/2012KeyTables.pdf>.

Notes: OASI: Old-Age and Survivors Insurance; SSDI: Social Security Disability Insurance; SSI: Supplemental Security Income; WWII Vets: Special Benefits for Certain World War II Veterans. Special Benefits for Certain World II Veterans make-up significantly less than 1% of projected SSA program spending.

Payments Subject to Annual Appropriations

For FY2012, the President's budget requests \$20.4 million in payments to the Social Security trust funds subject to annual appropriations. Of this request, \$14.0 million is for interest earned on benefit checks that remain uncashed for at least six months and \$6.4 million is for administrative costs related to the 1974 pension reform legislation.¹⁷ An additional \$4,000 is requested for the costs related to the one remaining person receiving a special payment for certain uninsured

(...continued)

be made in FY2011.

¹⁶ The Food, Conservation, and Energy Act of 2008, P.L. 110-426, made changes to the reporting of self-employment income. Section 15361 of this act is a mandatory appropriation to reimburse the OASI and DI trust funds for revenue lost of because of these changes in FY 2009 through FY2017. The appropriation for FY2012 is \$7 million.

¹⁷ Section 1131 of the Social Security Act (42 U.S.C. § 1320b-1) as established by the Employee Retirement Income Security Act of 1974, P.L. 93-406, requires the SSA to furnish certain information on deferred vested pension rights to pension plan participants and their dependents and survivors. The cost of this activity is initially paid from the OASI trust fund and reimbursed from general revenue through an annual appropriation.

persons (known as a Prouty benefit) subject to reimbursement.¹⁸ The President's budget does not request an appropriation for the two remaining activities subject to annual appropriation: administrative costs associated with coal industry retiree health benefits and reimbursement for pre-1957 military wage credits.¹⁹

B. SSI Program

The costs of SSI benefits and administration of the SSI program are paid out of general revenue and appropriated to the SSA in this account. This account contains three components. First, there is an appropriation for benefit and administration costs for the given fiscal year. This component is described in additional detail below. Second, there is a mandatory appropriation of "such sums as may be necessary" for any benefit costs incurred after June 15 and any unanticipated costs associated with the SSI program. Third, there is an advance appropriation for benefit costs for the first quarter of the succeeding fiscal year. Funds appropriated for the SSI program remain available to the SSA until expended. The President's FY2012 budget requests \$38.1 billion for current fiscal year program costs and \$18.2 billion for SSI benefits in the first quarter of FY2013.²⁰ Total federal benefit payments in FY2012 are estimated to cost \$47.6 billion, with \$13.4 billion coming from the FY2011 advance appropriation.²¹

Administrative and Other Expenses

In addition to providing for the cost of SSI benefits, the appropriation for the SSI program also provides for administrative expenses relating to the SSI program, beneficiary services, and costs related to research and demonstration projects. The FY2012 President's budget request for these administrative and other expenses is \$3.9 billion.

Administrative expenses for the SSI program are initially paid from the OASI and DI trust funds and are appropriated to the LAE account. The appropriation to the SSI program account for administrative expenses is used to reimburse the trust funds from general revenue for these costs. Administrative expenses for the SSI program include costs related to initial disability determinations, disability hearings and appeals, and program integrity activities. The President's FY2012 budget request for SSI administrative expenses is \$3.8 billion.

The SSI program appropriation also funds nearly \$100 million in beneficiary services, research, and Medicare outreach. Beneficiary services includes payments to state vocational rehabilitation agencies and Ticket to Work employment networks for services provided to SSI recipients. The

¹⁸ Section 228 of the Social Security Act (42 U.S.C. § 428), as established by the Tax Adjustment Act of 1966, P.L. 89-368, authorizes special benefits to persons aged 72 and over who, because of their ages, could not have worked long enough to qualify for Social Security benefits. Benefit and administrative costs for persons who reached the age of 72 before 1968 are paid by the OASI trust fund and reimbursed from general revenue through appropriation. There is currently one such recipient.

¹⁹ The SSA has determined that appropriations are not needed in FY2012 for these activities. Cost associated with coal industry retiree health benefits will be paid from unobligated prior appropriations and pre-1957 military wage credits will be financed from scheduled transfers from the trust funds not subject to appropriation.

²⁰ SSA, *FY2012 Budget Justification*, pp. 27-28.

²¹ Because no full-year appropriation for the SSA for FY2011 had been enacted at the time of the President's FY2012 budget submission, this estimate is based on the amount of first-quarter FY2012 funds requested by the President in his FY2011 budget.

FY2012 President's budget requests \$47 million for beneficiary services. The President's FY2012 budget request for Title XVI research and demonstration projects and Medicare outreach is \$38 million.²²

C. Office of the Inspector General

The SSA Office of the Inspector General (OIG) investigates fraud, waste, and abuse within programs administered by the SSA and audits such programs to determine their effectiveness and efficiency. The OIG also investigates improper receipt of federal benefits; certain crimes committed by SSA employees, contractors, and program beneficiaries; and supports larger government-wide homeland security efforts. The President's FY2012 budget request for the OIG is \$107.1 million, of which \$30 million is from general revenue and \$77.1 million is from the OASI and DI trust funds as authorized by Section 201(g)(1) of the Social Security Act for costs associated with the OASI and DI programs.²³

D. Limitation on Administrative Expenses

The appropriation for the limitation on administrative expenses (LAE) account funds the SSA's administrative costs associated with the OASI, SSDI, and SSI programs as well as costs incurred by the SSA to support the Medicare and Medicaid programs. This account also funds administrative functions such as the operations of SSA field offices, employment verification, agency information technology activities, and the Social Security Advisory Board.

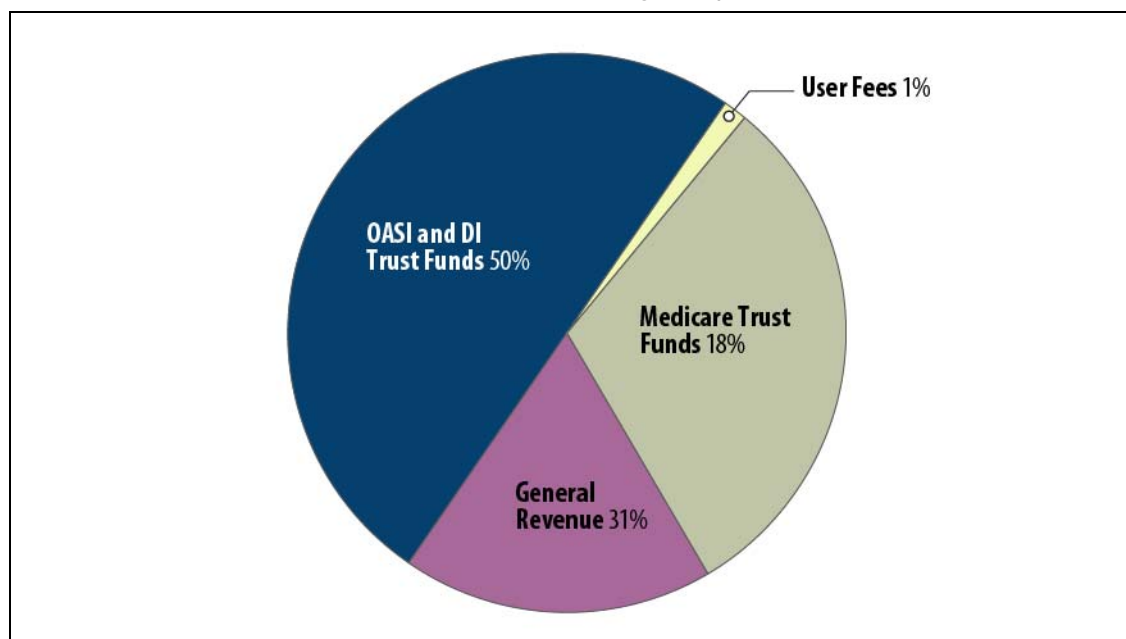
The LAE account is discretionary and subject to annual appropriation. The funds that make up this account come from the OASI and DI trust funds, the Medicare trust funds, general revenue, and certain fees collected by the SSA, with funds from the Social Security trust funds making-up half of the LAE budget authority. Thus, unlike a traditional appropriation in which Congress provides money from the Treasury to an agency, the LAE appropriation is actually a limitation on the amount of money from these various sources that the SSA can spend on its administrative activities. **Figure 2** provides the breakdown of budget authority for the LAE account in the President's FY2012 budget request.

The FY2012 President's budget request for SSA's LAE account is \$12.5 billion. This total appropriation consists of the base LAE appropriation, additional appropriations for program integrity activities, and appropriations for LAE activities from user fees paid to the SSA. The base LAE appropriation is the general appropriation for the SSA's administrative expenses. The President's FY2012 budget request for the base LAE account is \$11.7 billion.

²² Sections 1110 and 1115 of the Social Security Act (42 U.S.C. §§ 1310 and 1315) authorize the SSA to conduct research and demonstration projects relating to the SSI and Medicaid programs. Section 1144 of the Social Security Act (42 U.S.C. § 1320b-14) requires the SSA to conduct certain outreach activities on behalf of the Medicare program including identifying Medicare beneficiaries who may be eligible for Medicaid or prescription drug subsidies under Medicare Part D.

²³ 42 U.S.C. § 401(g).

Figure 2. SSA Total LAE Budget Authority
FY2012 President's Budget Request



Source: Social Security Administration, *Justifications of Estimates for Appropriations Committees, Fiscal Year 2012*, February 2011, p. 88, <http://www.ssa.gov/budget/2012FullJustification.pdf>.

Notes: "OASI and DI Trust Funds" includes administrative costs for Special Benefits for Certain World War II Veterans.

Processing Social Security and SSI Claims and Hearings

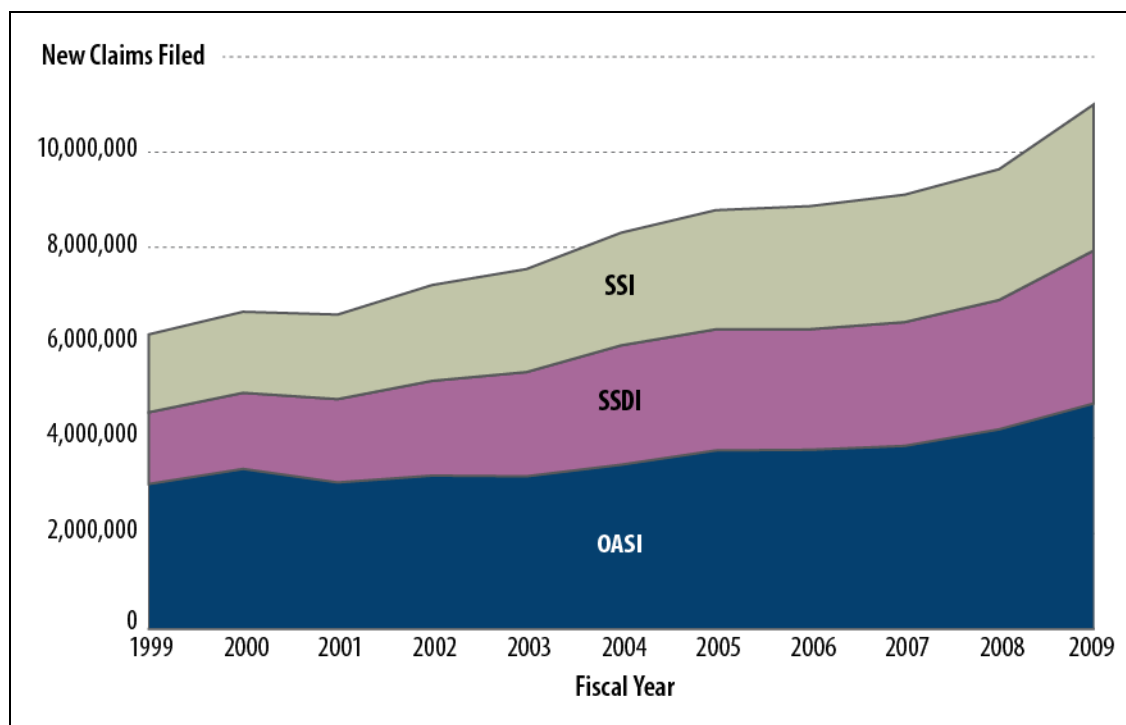
The amount of the LAE appropriation affects the SSA's ability to process initial claims for OASI and SSDI benefits and applications to the SSI program. Applications for all three programs have been steadily increasing. As shown in **Figure 3**, there have been significant increases in new claims for SSDI and SSI benefits since FY2008, likely caused by worsening overall economic conditions and rising levels of unemployment.²⁴ Because the administrative costs associated with disability claims are higher than those associated with OASI claims, the increase in SSDI and SSI claims will place an increased burden on the administrative resources of the SSA.²⁵

²⁴ For a more complete discussion on the economic and other factors that affect the growth in disability applications see Kalman Rupp and David Stapleton, "Determinants of the Growth in the Social Security Administration's Disability Programs-An Overview," *Social Security Bulletin*, vol. 58, no. 4 (Winter 1995), pp. 43-70; and David H. Autor and Mark G. Duggan, "The Rise in the Disability Rolls and the Decline in Unemployment," *Quarterly Journal of Economics*, vol. 118, no. 1 (February 2003), pp. 157-205.

²⁵ SSA, *FY2012 Key Tables*, Table 9. Administrative expenses equal 2.4% of SSDI and 8.0% of SSI benefits, but only 0.5% of OASI benefits.

Figure 3. New Claims for Social Security and SSI Benefits

FY1999 to FY2009



Source: Congressional Research Service (CRS) with data from Social Security Administration, *Annual Statistical Supplement to the Social Security Bulletin*, 2000 Washington, DC, February 2001, Section 2.F, and subsequent editions.

Approximately 65% of all new claims for SSDI and SSI benefits are initially denied and more than one-third of denied claimants request an appeals hearing before an SSA administrative law judge (ALJ).²⁶ For much of the past decade until FY2008, the SSA had seen an increase in the number of pending hearings. Starting in FY2008, however, the number of hearings pending at the end of each fiscal year began to drop. At the end of FY2010, there were 705,367 hearings pending, and the average processing time for hearing requests was down to 390 days from a peak of 532 days in August 2008.²⁷ In recent years, the SSA has hired additional ALJs and support staff and made other administrative changes that have reduced the number of pending hearings, reduced the processing time for hearings, and eliminated nearly all cases with hearing requests that have been pending for more than 825 days.²⁸ The SSA reports that it is on track to “eliminate the hearings backlog” by reducing the backlog of hearings to below 500,000 by FY2013.²⁹ However, extended continuing resolutions that largely fund the agency at previous year levels, LAE appropriations that are below the President’s budget request, and rescissions like those passed by the House of Representatives in H.R. 1 may make this goal difficult to attain.

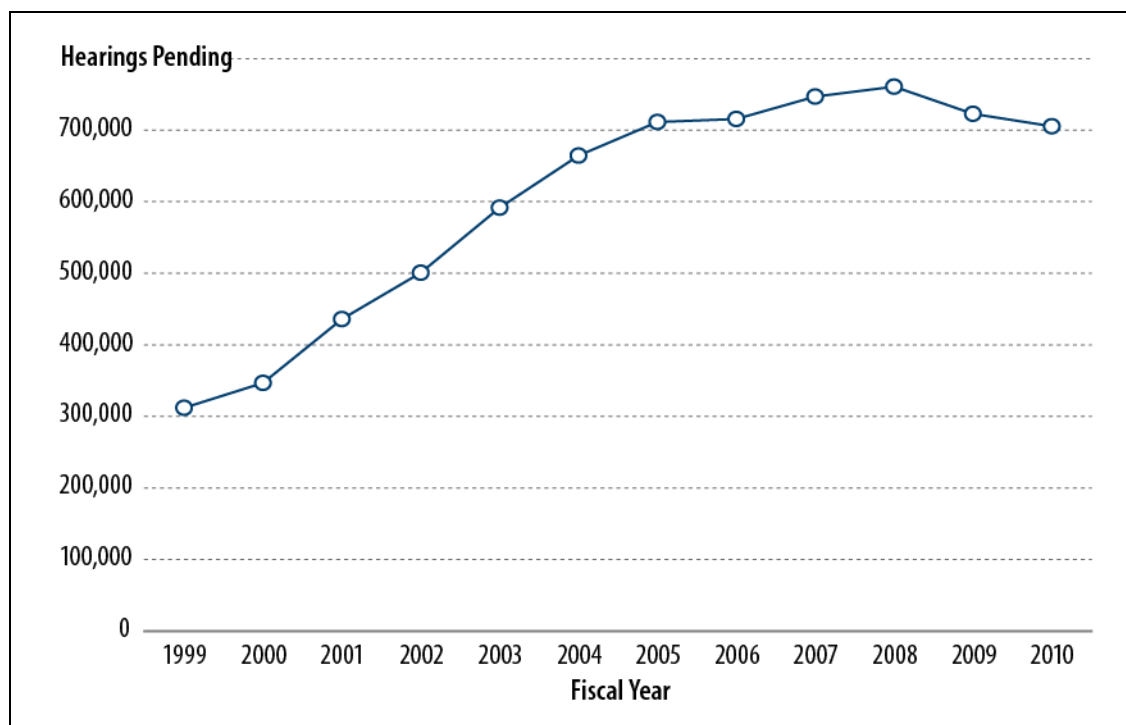
²⁶ SSA, *FY2012 Budget Justification*, p. 103.

²⁷ Social Security Administration, *Performance and Accountability Report, Fiscal Year 2010*, November 2010, pp. 50-51, <http://www.ssa.gov/finance/2010/Full%20FY%202010%20PAR.pdf>; hereafter cited as SSA, *FY2012 Performance Report*; and SSA, *FY2012 Budget Justification*, p. 12.

²⁸ SSA, *FY2012 Performance Report*, pp. 51-52.

²⁹ SSA, *FY2012 Budget Justification*, pp. 12-13.

Figure 4. SSA Hearings Pending at the End of Each Fiscal Year
FY1999 to FY2010



Source: Congressional Research Service (CRS) with data from Social Security Administration, *Annual Statistical Supplement to the Social Security Bulletin*, 2000 Washington, DC, February 2001, Section 2.F, and subsequent editions; and SSA, *FY2012 Performance Report*, pp. 50-51.

Notes: Includes hearings for all programs administered by the SSA.

Program Integrity Activities

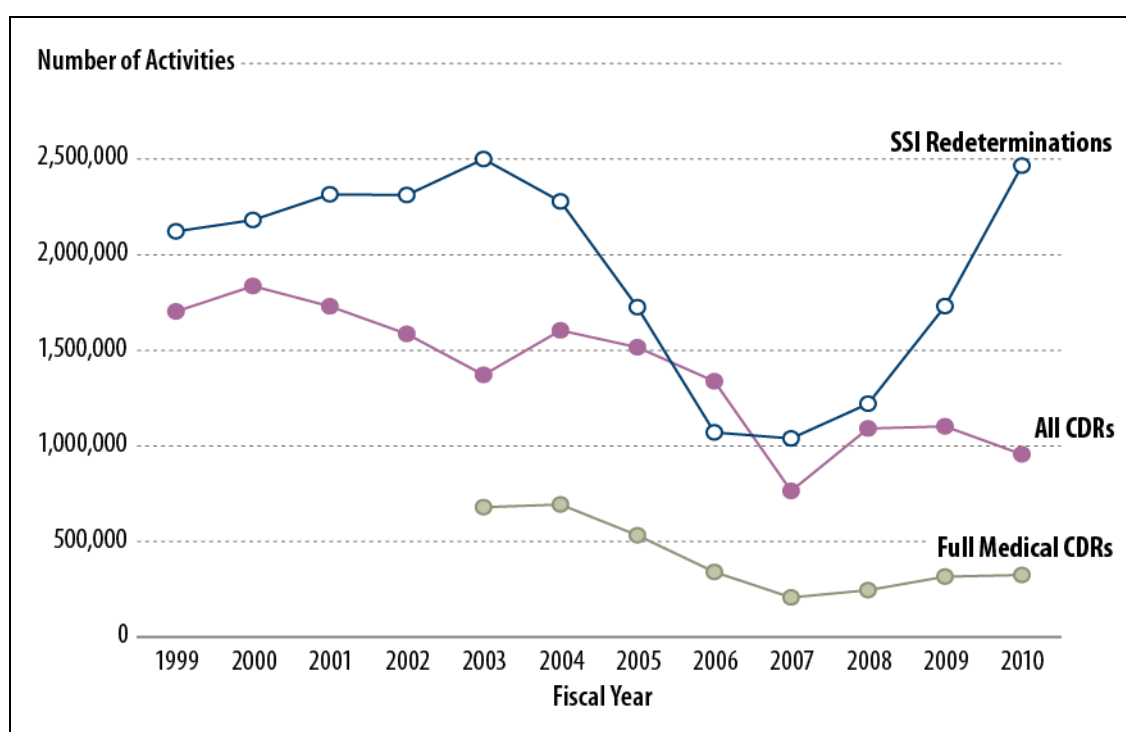
Within the base LAE, funds may be directed to specific activities. For example, in the FY2012 request, \$2.2 million is for the Social Security Advisory Board, \$1.9 million is for strengthening the agency's acquisitions workforce, and \$315 million is for costs associated with conducting continuing disability reviews (CDRs) and SSI redeterminations. CDRs are periodic reviews of SSDI beneficiaries and SSI recipients to determine if they still meet the statutory definition of disability. In the majority of cases, a CDR mailer that does not involve a medical review is used instead of a full medical CDR. SSI redeterminations are used to determine if SSI recipients continue to fall below the program's income and asset limits.

In addition to the base LAE appropriation, the FY2012 President's budget requests \$623 million for additional CDRs and SSI redeterminations. This request is for funding above the discretionary spending caps set by Congress pursuant to Section 302 of the Congressional Budget Act of 1974.³⁰

³⁰ P.L. 93-344. For additional information on the Section 302 spending caps see CRS Report R41521, *Labor, Health and Human Services, and Education: FY2011 Appropriations*, coordinated by Pamela W. Smith, p. 6.

The SSA estimates that every \$1 spent on CDRs saves \$10 in lifetime program costs. In addition, the agency estimates that every \$1 spent on SSI redeterminations saves \$7 in program costs over ten years, including savings to the Medicaid program.³¹ However, because LAE appropriations are made annually and their costs are applied to each fiscal year's annual budget, the long-term savings from these program integrity activities does not fully offset their costs in the fiscal year of the appropriation. As a result, the SSA has not traditionally been able to secure enough funding each year to gain the maximum potential program savings from CDRs and SSI redeterminations. However, as shown in **Figure 5**, since FY2007, the number of medical CDRs, total CDRs, and SSI redeterminations has generally increased, reducing an overall downward trend in CDRs and redeterminations that lasted for much of the period since the early 2000s.

Figure 5. SSA Program Integrity Activities
FY1999 to FY2010



Source: Congressional Research Service (CRS) with data from Social Security Administration, *Performance and Accountability Report, Fiscal Year 1999*, November 1999, and subsequent editions.

Note: "All CDRs" include both full medical CDRs and CDR mailers that do not include a medical review.

User Fees

The FY2012 President's budget request includes \$164 million in LAE appropriations from two user fees collected by the SSA with \$163 million from fees collected from states for the administration of their SSI supplement programs. An additional \$1 million is requested from fees paid by non-attorney representatives for certification to represent claimants before the SSA.

³¹ SSA, *FY2012 Budget Justification*, pp. 20-21.

Research and Demonstrations

The FY2012 President's budget request also includes \$38 million for Title II research and demonstration projects. While this request is not part of the formal requested LAE language, it is a component of the SSA's total administrative funding request. The FY2012 President's budget request includes a legislative proposal to reinstate, for five years, the SSA's authority to conduct demonstration projects under Title II of the Social Security Act.³²

Carryover

The annual LAE appropriations language enacted by Congress permits the SSA to carryover unobligated administrative funds to be used in future fiscal years for information technology activities. A portion of these unobligated funds are transferred into the agency's no-year ITS account. The SSA currently estimates that it has \$480 million in no-year ITS funding available for FY2011 and an additional \$195 million available for transfer into the no-year ITS account.³³ The sixth continuing resolution for FY2011 rescinded \$200 million from the SSA no-year ITS account.³⁴

SSA Commissioner's Budget

The Social Security Administration became an independent federal agency in March 1995 after enactment of the Social Security Independence and Program Improvements Act of 1994.³⁵ Section 104(a) of this legislation granted the SSA Commissioner the authority to submit to the Congress, without revision, a budget request.³⁶ This budget request is independent of the President's budget request for the agency and generally includes a request for total administrative funding and a request for funding for the OIG. The Commissioner's budget is included in the section on the SSA in the appendix to the President's budget. The FY2012 Commissioner's budget for administrative funding for the SSA is \$12.9 billion with an additional \$110 million for the OIG.³⁷

The FY2012 Commissioner's budget is larger than the President's FY2012 budget request. As shown in **Figure 6**, for each year since the SSA became an independent agency, the Commissioner's budget has exceeded the President's request. In all but two of these fiscal years, FY1997 and FY2009, the final appropriation from Congress, taking into account any rescissions, has been less than the Commissioner's budget and only in FY1997, FY2008, and FY2009 has the final congressional appropriation exceeded the President's request.

³² Section 234 of the Social Security Act (42 U.S.C. § 434) granted the SSA the authority to conduct demonstration projects on programs under Title II of the act. This authority terminated on December 18, 1995. The SSA has permanent authority to conduct demonstration projects on the SSI program pursuant to Section 1110(b) of the act (42 U.S.C. § 1310(b)).

³³ SSA, *FY2012 Budget Justification*, p. 99.

³⁴ P.L. 112-6.

³⁵ P.L. 103-296.

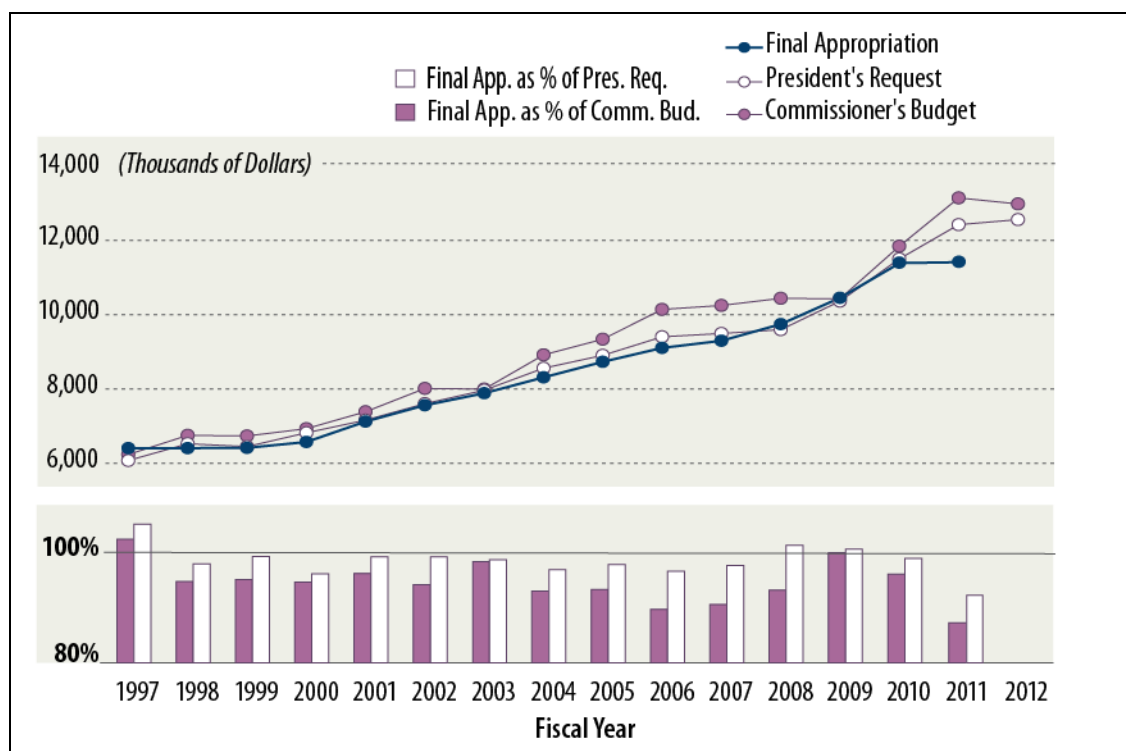
³⁶ Section 704(b) of the Social Security Act (42 U.S.C. § 904(b)).

³⁷ Office of Management and Budget, *Appendix, Budget of the United States Government, Fiscal Year 2012*, Washington, DC, February 14, 2011, p. 83, <http://www.gpo.gov/fdsys/pkg/BUDGET-2012-APP/pdf/BUDGET-2012-APP.pdf>.

FY2011 Funding

Administrative funding for the SSA for FY2011 is provided by a series of eight continuing resolutions. The eighth continuing resolution, P.L. 112-10, provides funding for the duration of FY2011 and includes an 0.2% across-the-board rescission for all discretionary spending. Taking this rescission into account, the final FY2011 appropriation for the SSA's administrative expenses is \$11.425 billion. In addition, P.L. 112-10 and an earlier continuing resolution, P.L. 112-6, rescinded \$275 million from the SSA's no-year ITS account.

Figure 6. SSA Administrative Budget Requests and Appropriations
FY1997 to FY2012



Source: Congressional Research Service (CRS) using data from each fiscal year's President's budget and appropriations for the SSA.

Notes: Excludes funding for the OIG. "President's Request" includes LAE, funding for research and demonstrations and for FY2000 a \$100 million requested transfer of automation investment funds to base operations. "Final Appropriation" includes all rescissions, except rescissions of no-year ITS funds, but does not include any supplemental appropriations. The SSA became an independent agency in 1995 and first submitted a Commissioner's budget for FY1997.

SSA Program Integrity Funding Provisions in the Budget Control Act of 2011

The Budget Control Act of 2011, P.L. 112-25, was enacted on August 2, 2011, and places caps on discretionary spending and increases the federal government's statutory debt limit.³⁸

Section 101 of the act provides that the annual discretionary funding caps created by the act are to be adjusted by the amount by which funds appropriated to the SSA for CDRs and SSI redeterminations for a fiscal year exceed \$273 million. The maximum adjustment for SSA program integrity activities will rise from \$623 million for FY2012 to \$1.309 billion a year for FY2017 through FY2021.

³⁸ The Speaker's proposal is an amendment in the nature of a substitute to S. 627 and is available on the website of the House Committee on Rules at http://www.rules.house.gov/Media/file/PDF_112_1/legislativetext/S627%20amnt.pdf. The Senate Majority Leader's proposal is S.Amdt. 581 to S. 1323. For additional information on the federal government's statutory debt limit see CRS Report R41633, *Reaching the Debt Limit: Background and Potential Effects on Government Operations*, coordinated by Mindy R. Levit.