



Social Security

Performance Plan
for Fiscal Year 2007

and Revised Final
Performance Plan for Fiscal
Year 2006

A Message from the Commissioner

I am pleased to present the Social Security Administration's *Fiscal Year 2007 Annual Performance Plan (APP) and Revised Final Plan for FY 2006*. This APP represents our priorities in SSA's strategic goals for Service, Stewardship, Solvency, and Staff as set forth in *SSA's Strategic Plan* updated for FYs 2006-2011.



This document integrates the Agency's *Strategic Plan* with the President's FY 2007 budget, establishes specific levels of performance the Agency is committed to achieve, and satisfies the statutory requirements of the *Government Performance and Results Act*. The APP states the Agency's responsibility for achieving the objectives of the *President's Management Agenda* and describes our commitment to meeting the goals of the Office of Management and Budget's *Performance Assessment Rating Tool*.

Social Security continues to face great challenges ahead: providing the level of Service the public expects and deserves, particularly as the baby boomers age; providing program integrity through sound fiscal Stewardship; ensuring that the public is educated and knowledgeable about the Solvency of the Social Security trust funds; and employing and retaining a diverse Staff committed to public service.

Even with these challenges and substantial resource constraints, I am confident that the Agency will meet its strategic goals and objectives and continue to improve our performance, paying particular attention to program areas that the Agency determines require immediate improvement.

The Agency's staff is deeply committed to meeting the needs of claimants and beneficiaries who depend on SSA for excellent service and the taxpayers who fund our programs and expect sound fiscal stewardship. I believe that by working together, we will continue to improve our performance.

Pamela Bannhart

Commissioner



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Introduction – Social Security’s Results-Oriented Performance

*To advance the economic security of the nation’s people
through compassionate and vigilant leadership in shaping
and managing America’s Social Security programs*

The Social Security Administration’s Mission

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 mission, this *Annual Performance Plan* (APP), which is included in the Agency’s performance budget, lays out such an approach and describes how Social Security will strategically achieve better performance and accountability in FY 2006 and FY 2007.



At the top of the Agency’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

 Social Security is committed to delivering the service the public expects from the Agency. 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 affect service delivery, particularly with respect to Social Security'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 generations.

Social Security provides services through more than 1,500 Field Offices, Regional Offices, Teleservice Centers (toll-free 800-number), Program Service Centers, State Disability Determination Services, and Hearing Offices, in addition to the Social Security website (www.socialsecurity.gov).

Environmental Factors

Social Security faces substantial challenges in providing the public the service they expect and deserve, particularly as the number of beneficiaries increases each year. The number of Social Security retirement, survivor, disability and Supplemental Security Income (SSI) claims will grow significantly over the next decade with the aging of the Nation's baby boomers. In addition, the Agency's "Retirement Wave" analysis, updated in 2005, shows that 22 percent of Agency employees are currently eligible for retirement. By 2014, it also shows 56 percent of the Agency's current employees will be eligible for retirement, and almost 42 percent are projected to retire.

Many changes in law, medicine, technology, and society have transpired since Title II (Social Security) and Title XVI (SSI) disability programs were established. The workplace has been made more accessible through advances in technology and legislation. Impairments, which in the past may have been permanently 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 satisfaction levels of the people who do business with Social Security by these channels continue to be very important, and the Agency has devoted significant resources to ensuring that its web services rank among the best in business. Fourth quarter 2005 *American Customer*

Satisfaction Index (ACSI) scores were released on December 15. Social Security's *Application for Help with Medicare Prescription Drug Plan Costs* (i1020) and the *Internet Social Security Benefit Application* (ISBA)--both with scores of 88--took the top place among all Federal ACSI sites. In addition, the Agency's aggregate ACSI score (79 for 7 surveys) was highest among all Federal agencies running multiple surveys, and its SSA's Main Site survey scored 73. Although Social Security has made 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, e.g., some public concerns about security and confidentiality, lack of access to the Internet, incompatibility of hardware/software, etc.

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

The Agency considers the processing capabilities and the information produced at its National Computer Center (NCC) to be one of its most valuable assets, and the Agency is dedicated to ensuring the security of these critical assets and related infrastructure. The Agency regularly conducts risk and vulnerability assessments to determine the threats posed to its identified critical assets. In addition, a recovery plan is exercised annually to assure the Agency's ability to recover critical Information Technology (IT) workloads at an offsite facility. The Agency also maintains and exercises its *Continuity of Operations Plan*. To further reduce the risks to critical assets, systems are monitored to identify and remediate known security vulnerabilities to the Agency's IT infrastructure. Finally, additional ways to better protect the Agency's IT infrastructure are currently being investigated.

Social Security also will have new challenges and responsibilities as the Agency helps to implement the *Medicare Prescription Drug Improvement and Modernization Act of 2003*. In 2004 and 2005, the Agency answered general inquiries, made referrals, and sent correspondence to individuals identified as low-income who may be eligible for the new prescription drug discount card. In 2005, the Agency mailed over 18 million subsidy applications to Title II Medicare beneficiaries who appear to qualify for the subsidy. Additionally, the Agency is conducting outreach activities nationwide to inform low-income Medicare beneficiaries of the availability of Medicare Part D subsidies and encouraging these individuals to file for subsidies. Subsidy applications will be filed with and processed by the Agency, as well as Part D



subsidy appeals and redeterminations. The Agency will also withhold Part D premium payments for those enrollees choosing to have premiums withheld from their monthly Social Security payments. Additionally, beginning in January 2007, the Agency will determine and compute Part B premium amounts based on individual's having incomes above certain limits specified in law.

Steewardship

To protect the integrity of Social Security programs through superior Stewardship

 Individuals who contribute through payroll deductions, self-employment taxes, or income taxes to fund the Social Security and Supplemental Security Income (SSI) programs 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 Social Security's information systems and the integrity and privacy of the personal information that the Agency maintains. It also includes an obligation to provide safe and secure environments in which employees can work and the public can transact business.

Good stewardship also includes strengthening the integrity of the Social Security Number (SSN). The original purpose of the SSN was to enable the Agency to keep an accurate record of earnings covered under Social Security and to pay benefits based on these earnings. Over time, the SSN has become a primary means of identification in both the public and private sectors. Many initiatives are underway to protect the integrity of the SSN and to ensure that SSNs are assigned appropriately, thereby supporting efforts to increase domestic safety and protect Americans from incidents of identity fraud.

Environmental Factors

Information technology has altered the way the public interacts with government and the way government agencies interact with each other. The widespread interconnectivity of computer systems and the critical operations and infrastructures they support create new security-related vulnerabilities. Social Security'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.



A high priority for all Federal agencies is homeland security, which includes vigilance against identity theft. The Government Accountability Office (GAO) and Social Security's Office of the Inspector General (OIG) identified *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.

Because of limited resources in FY 2006, in order to maintain service levels for initial claims, the Agency has had to make adjustments in program integrity workloads. Specifically, the Agency was not able to perform as many continuing disability reviews (CDRs) or SSI non-disability redeterminations as was planned. The reduction in CDRs has potentially allowed some individuals to continue being eligible for benefits when they may no longer qualify. For FY 2007, legislation has been introduced to earmark funds for conducting increased numbers of CDRs. CDRs have proven to be cost-effective, returning more than \$10 for each \$1 spent on this workload.

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 a summary of the Social Security and Medicare 2005 annual reports, which includes 75-year projections, the Trustees state, "We do not believe the currently projected long run growth rates of Social Security and Medicare are sustainable under current financing arrangements." 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. The large baby-boom generation (persons born between 1946 and 1964) is nearing retirement and most will have retired by 2030. Without changes to the program there will not be enough workers to generate sufficient taxable income to support the Social Security benefits needed for the baby-boom generation. Social Security must respond to these developments. One way is to educate the public about the program's financing challenges and the effect on future beneficiaries. Social Security also must serve as a resource for analysis within the Administration, as well as for Congress and interested groups. Through these actions, the Agency will be better able to support program and legislative changes in what are arguably the Nation's most important domestic programs, and ensure

that the program remains secure and meets the needs of current and future generations.

Environmental Factors

As *The 2005 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* points out, solvency is affected by a multitude of demographic, socio-economic, and program-specific factors, e.g., the size and characteristics of the population receiving benefits, the level of monthly benefit amounts, the size of the work force, the level of workers' earnings, future birth rates, death rates, immigration, marriage and divorce rates, retirement age patterns, disability incidence and termination rates, productivity gains, wage increases, and inflation.

Beginning in 2017, the cost of Social Security will begin to exceed the program's tax income. Whereas today, about 3.3 people pay for every OASDI beneficiary, the projected ratio of workers to beneficiaries will be only 2.2 for every OASDI beneficiary by 2030.

Staff

To strategically manage and align Staff to support the mission of the Agency

 Social Security 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, the Agency 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 actually considered an enabling goal because the corresponding human capital performance measures support the ability to deliver high-quality service, ensure stewardship of Social Security programs, and address issues surrounding solvency of the Trust Funds.

Environmental Factors

Social Security projects that its retirement wave will peak between FY 2008 and FY 2010. Also, while the pool of retirement eligible employees increases, the first wave of baby boomers will be entering their disability-prone and retirement years. These factors, coupled with an increase of diverse and multilingual/bilingual Americans, will result in significant workload growth for the Agency. Absent effective workforce planning, the Agency's retirement wave will not only affect its ability to deliver citizen-centered service to the American people, but will also result in a significant strain on the Agency's institutional knowledge and expertise.



Summary -- FY 2007 and Revised Final FY 2006 Annual Performance Plan Performance Measures

The *Agency Strategic Plan for FYs 2006 - 2011* is the basis for this APP. The Strategic Plan reflects Social Security’s priorities to deliver the service the public expects and deserves, to improve program integrity through sound stewardship, to ensure future program solvency, and to maintain quality staff required to fulfill the first three goals. The chart below is a complete summary of performance goals for FYs 2006 – 2007.

1 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
- Improve decisional consistency and accuracy
- Ensure that beneficiaries who are clearly disabled receive determinations within 20 calendar days or less

Performance Measures		FY 2006 Target	FY 2007 Target
1.1a	Number of initial disability claims processed by the Disability Determination Services (DDS)	2,663,000	2,570,000
1.1b	Maintain the number of initial disability claims pending in the DDS (at/below FY 2006/2007 goal)	577,000	577,000
1.1c	Number of SSA hearings processed	560,000	577,000
1.1d	Maintain the number of SSA hearings pending (at or below FY 2006/2007 goal)	756,000	767,000
1.1e	Average processing time for initial disability claims	93 days	93 days
1.1f	Average processing time for SSA hearings	467 days	467 days
1.1g	Average processing time for hearings appeals	242 days	242 days
1.1h	DDS net accuracy rate (allowances/denials combined)	97%	97%
1.1i	Disability hearings decision accuracy rate	90%	90%
1.1j	Agency decisional accuracy rate (ADA)	97%	97%



Strategic Objective 1.2
Increase employment for people with disabilities by expanding opportunities

Long - Term Outcomes

- Increase awareness of opportunities to achieve greater financial independence through employment
- Increase participation of beneficiaries and service providers in work opportunity initiatives

Performance Measures		FY 2006 Target	FY 2007 Target
1.2a	Number of DI and SSI beneficiaries, with tickets assigned, who work (over Calendar Year [CY] 2003 baseline of 14,052)	22,483	Establish a new baseline
1.2b	Number of SSI disabled beneficiaries earning at least \$100 per month	268,419	281,840

Strategic Objective 1.3
Improve service through technology, focusing on accuracy, security, and efficiency

Long - Term Outcomes

- Allow the public to more easily interact with SSA by increasing partnerships with government and non-governmental organizations to share data and processes
- Improve and expand service capabilities by making optimal use of technology, including telephone and other electronic processes
- Protect all sensitive data by ensuring that appropriate systems security and privacy safeguards continue to be in place
- Eliminate backlogs for postentitlement work

Performance Measures		FY 2006 Target	FY 2007 Target
1.3a	Retirement and Survivor Insurance (RSI) claims processed	3,911,000	3,919,000
1.3b	Optimize the speed in answering 800-number calls	330 seconds	330 seconds
1.3c	Optimize the 800-number busy rate for calls offered to Agents	10%	10%
1.3d	Increase the usage of electronic entitlement and supporting actions	300% growth over FY 2004 baseline (2,211,200)	475% growth over FY 2004 baseline (3,170,000)
1.3e	Increase the percent of employee reports (W-2 forms) filed electronically	70%	80%
1.3f	Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good"	83%	83%
1.3g	Improve workload information using <i>Social Security Unified Measurement System</i> (SUMS)	Complete 66% of SUMS projects	Complete 84% of SUMS projects



2 Stewardship

To protect the integrity of Social Security programs through superior Stewardship

Strategic Objective 2.1
Detect and prevent fraudulent and improper payments and improve debt management

Long - Term Outcomes

- Increase the Agency’s stewardship accuracy rate for Supplemental Security Income payments
- Maintain the Agency’s stewardship accuracy rates for Old-Age, Survivors, and Disability Insurance payments
- Increase the percent of outstanding debt that is in a collection arrangement
- Remain current with Disability Insurance and Supplemental Security Income continuing disability reviews (if dedicated funding is available)
- Finish processing special disability cases
- Reduce the backlog of workers’ compensation cases

Performance Measures		FY 2006 Target	FY 2007 Target
2.1a	SSI non-disability redeterminations processed	1,244,000	1,026,000
2.1b	Number of periodic CDRs processed to determine continuing entitlement based on disability	1,242,000	1,558,000
2.1c	Percent of SSI payments free of overpayments (O/P) and underpayments (U/P)	95.4% O/P 98.8% U/P	95.7% O/P 98.8% U/P
2.1d	Percent of outstanding SSI debt in a collection arrangement	55%	56%
2.1e	Percent of OASDI payments free of O/P and U/P	99.8% O/P and U/P	99.8% O/P and U/P
2.1f	Percent of outstanding OASDI debt in a collection arrangement	43%	44%

Strategic Objective 2.2

Strengthen the integrity of the Social Security Number (SSN) issuance process to help prevent misuse and fraud of the SSN and card

Long - Term Outcomes

- Strengthen the integrity of the SSN issuance process by engaging in ongoing policy development in partnership with other government entities
- Assign SSNs and issue cards accurately and safeguard Agency-maintained identity information
- Provide legally required SSN record verification services to aid in the prevention of SSN misuse

Performance Measures		FY 2006 Target	FY 2007 Target
2.2a	Percent of original SSNs issued that are free of critical error	98%	98%
2.2b	Number of SSNs processed	18,000,000	18,000,000

Strategic Objective 2.3

Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them

Long - Term Outcomes

- Facilitate more accurate earnings reports by encouraging the use of electronic wage reporting
- Reduce the number of annual earnings items posted to the *Earnings Suspense File* (ESF)

Performance Measures		FY 2006 Target	FY 2007 Target
2.3a	Remove 3 percent of the earnings items remaining in the ESF for a new tax year and post the earnings to the correct earnings record	3%	3%

Strategic Objective 2.4

Manage Agency finances and assets to link resources effectively to performance outcomes

Long - Term Outcomes

- Demonstrate the Agency's commitment to sound financial management by creating a strong internal control structure and producing relevant and reliable accounting information, including receiving an "unqualified opinion" on the Agency's financial statement audit
- Maximize the ability of the Agency's financial, performance, and management information systems to fulfill its mission by improving existing automated tools and developing new ones
- Ensure the most effective use of limited Agency resources by continuing to achieve 2 percent, on average, annual productivity improvements
- Ensure the security of the Agency's information systems, physical assets, and employees by continuously performing security assessments and acquiring state-of-the-art protection systems



	Performance Measures	FY 2006 Target	FY 2007 Target
2.4a	Continue to achieve 2 percent productivity improvement on average	2%	2%
2.4b	DDS case production per workyear (PPWY)	262	276
2.4c	SSA hearings case production per workyear (PPWY)	104	106
2.4d	Maintain zero outside infiltrations of SSA's programmatic mainframes	0	0
2.4e	Enhance efforts to improve financial performance using <i>Managerial Cost Accountability Systems</i> (MCAS)	Complete 29% of MCAS projects	Complete 58% of MCAS projects
2.4f	Receive an unqualified opinion on SSA's financial statements from the auditors	Receive an unqualified opinion	
2.4g	Get to "green" on the <i>President's Management Agenda</i> (PMA) initiatives status scores	Achieve a status score of "green" on four of five PMA initiatives	Achieve a status score of "green" on five of five PMA initiatives

3 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 2006 Target	FY 2007 Target
3.1a	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	
3.1b	Issue annual SSA-initiated <i>Social Security Statements</i> to eligible individuals age 25 and older	100%	100%



4 Staff

To strategically manage and align Staff to support the mission of the Agency

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

Long - Term Outcomes

- Employ and develop a workforce that is diverse, committed to public service, skilled in the use of technology, and flexible in adapting to change
- Continue to use advanced technology and automation that enables staff to provide quality service to the American public
- Provide an environment and culture that encourages employee retention and motivates employees to deliver timely, quality, citizen-centered service

Performance Measures		FY 2006 Target	FY 2007 Target
4.1a	Minimize skill and knowledge gaps in mission-critical positions	Competency-based entry-level training curriculum will be developed for 100% of the remaining targeted public contact positions – Benefit Authorizers, Claims Authorizers, and Technical Support Technicians	Identify competency-based leadership training for supervisors and managers
4.1b	Align employee performance with Agency mission and strategic goals	Develop a communication and training plan to facilitate implementation of the new performance assessment system for employees at the GS-14 and below level and GS-15s who are covered by the <i>Social Security Administration/ American Federation of Government Employees (AFGE) National Agreement</i>	Implement the multi-tiered results-oriented performance assessment system for General Schedule (GS) and Federal Wage System employees below the GS-15 or equivalent grade, and GS-15 employees who are covered by the <i>2005 National Agreement</i>



Summary – Program Assessment Rating Tool (PART) Measures

The Program Assessment Rating Tool (PART) was developed by the Office of Management and Budget (OMB) to assess the effectiveness of federal programs and helps inform management action, budget requests, and legislative proposals directed at achieving results. OMB uses the PART diagnostic tool to identify strengths and weaknesses of programmatic performance. OMB has used PART to examine the Agency’s Disability Insurance (DI) and SSI programs.

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 2006	FY 2007
Average processing time for initial disability claims (DI & SSI PARTs)	93 days	93 days
Average processing time for SSA hearings (DI PART)	467 days	467 days
DDS net accuracy rate (allowances and denials combined) (DI & SSI PARTs)	97%	97%
Number of DI and SSI beneficiaries, with tickets assigned, who work (over CY 2003 baseline of 14,052)	22,483	Establish new baseline
Percent of SSI payments free of overpayments (SSI PART)	95.4%	95.7%
Percent of SSI payments free of underpayments (SSI PART)	98.8%	98.8%
Disability Determination Services (DDS) case production per workyear (DI PART)	262	276
SSA hearings case production per workyear (DI & SSI PARTs)	104	106
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) <i>(Note: Not a performance measure for the APP)</i>	75%	75%



Federal Information Security Management Act (FISMA)

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 established *Systems Application Development Life Cycle* is an institutionalized procedure that contributes to meeting the requirements of FISMA. This involves human resources from various Agency components. In FY 2004 over \$45 million in IT budget funds were spent on the Agency's IT security program. The Agency 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 issued by the House Government Reform Subcommittee on Technology, Information Policy, Intergovernmental Relations and Census gave the Agency a grade of B+, the third highest among Federal agencies, with grading based upon the FISMA reporting requirements.





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