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Social Security Administration (SSA): Trends in the Annual Limitation on Administrative Expenses (LAE) Appropriation Through FY2021

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SUMMARY

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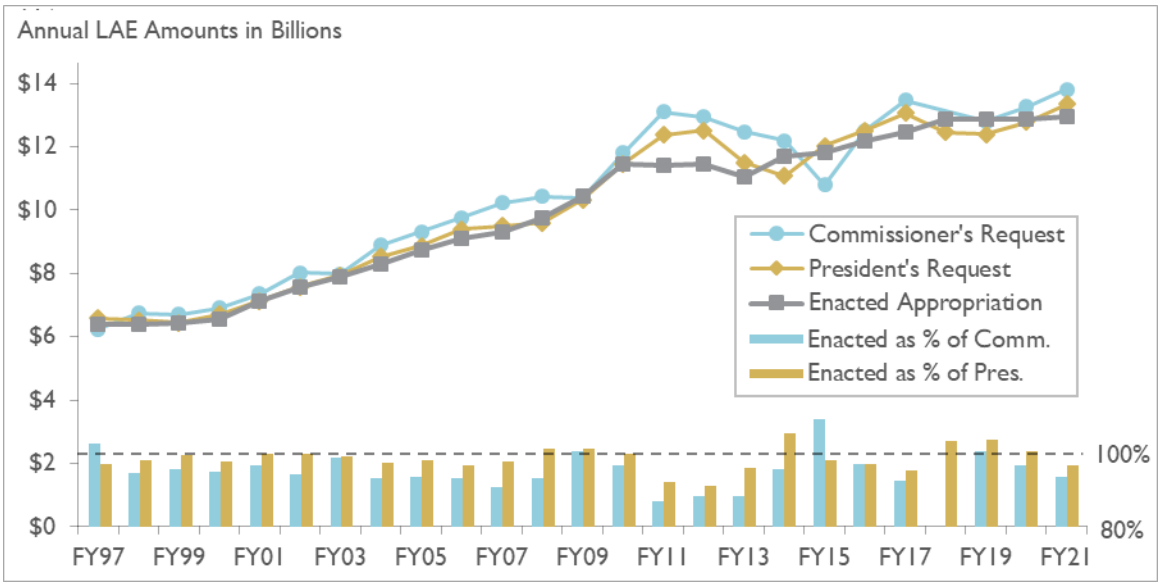
Social Security Administration (SSA): Trends in the Annual Limitation on Administrative Expenses (LAE) Appropriation Through FY2021

The Social Security Administration (SSA) is responsible for administering two federal entitlement programs that provide income support to qualified individuals: Social Security and Supplemental Security Income (SSI). In FY2021, Social Security and SSI combined paid nearly $1.2 trillion in benefit payments to an average of about 70.2 million unique beneficiaries. Administering these programs requires SSA each year to process more than 9 million benefit applications and appeals, handle tens of millions of phone calls, complete more than 100 million post-entitlement actions, perform more than 4 million program integrity reviews, and mail about 350 million notices. SSA also supports the administration of Medicare through a variety of activities, such as processing enrollment for most parts of the program, as well as determining and withholding premiums from Social Security benefit payments for most Medicare beneficiaries.

Although benefit payments for SSA's programs are considered mandatory spending and thus are not controlled by appropriations acts, the agency requires annual discretionary appropriations to carry out its programs and to support the administration of Medicare and various other programs and laws. With limited exceptions, SSA's administrative expenses are funded by appropriations to its Limitation on Administrative Expenses (LAE) account, nearly all of which are provided as part of the annual appropriations process. The annual LAE appropriation, which is discretionary, is composed of funds from the Social Security and Medicare trust funds for their respective shares of administrative expenses, the Department of Treasury's general fund for SSI's share of administrative expenses, and a portion of user fees collected for SSA's administration of certain activities. SSA's annual LAE appropriation is traditionally provided under the Related Agencies section of the annual Departments of Labor, Health and Human Services, and Education, and Related Agencies appropriations act. The annual LAE appropriation was $12.931 billion in FY2021, the most recently completed fiscal year.

Figure S1 compares the Commissioner of Social Security's request, the President's request, and the enacted level for the annual LAE appropriation for FY1997-FY2021 in nominal (i.e., current) dollars, with some adjustments. The Social Security Act requires the Commissioner to prepare an independent budget and for the President to submit it to Congress, without revision, together with the President's budget. The Commissioner's request was first submitted for FY1997. Since then, the Commissioner's request has exceeded the President's request for all but two fiscal years: FY1997 and FY2015. (The FY2018 Commissioner's request is not shown because the President did not submit it.)

Figure S1. Requested and Enacted Annual LAE Appropriation, FY1997-FY2021

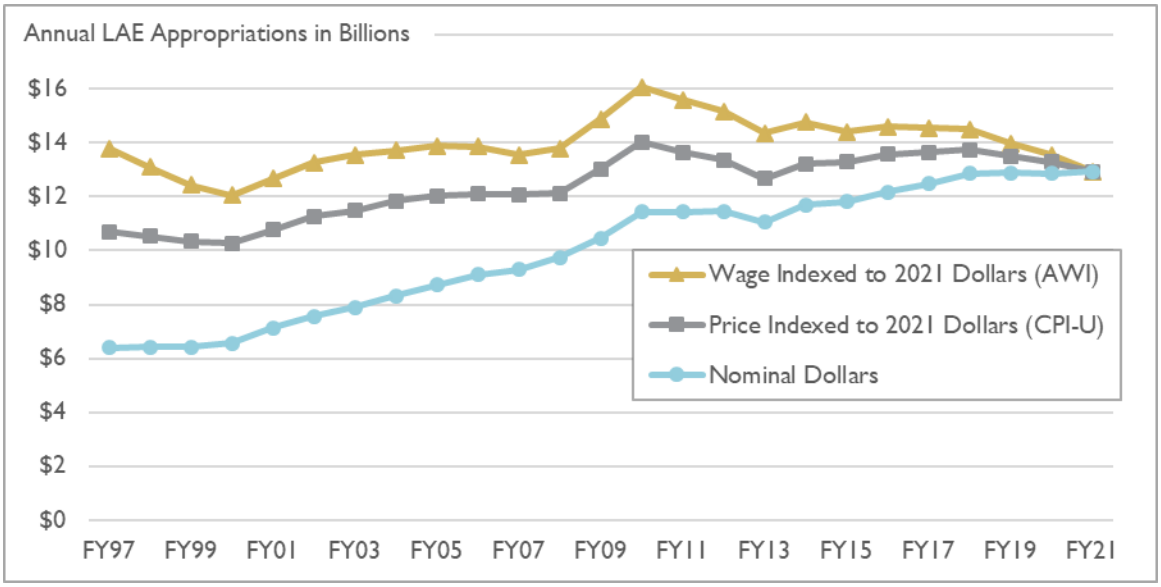


Source: CRS.

The enacted appropriation has exceeded the Commissioner's request for FY1997, FY2009, FY2015, and FY2019 only. The enacted appropriation has exceeded the President's request for FY2008, FY2009, FY2014, and FY2018-FY2020 only.

Figure S2 shows the trend in the annual LAE appropriation in nominal dollars, price-indexed 2021 dollars, and wage-indexed 2021 dollars. The price-indexed line is adjusted for inflation using the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U), and the wage-indexed line is adjusted for wage growth using SSA's Average Wage Index (AWI). The nominal line shows a steady increase in the annual LAE appropriation over the past 25 years, with notable increases in FY2008-FY2010 followed by a notable decrease in FY2013 and then a notable increase in FY2014. The price-indexed line has also generally increased over the past 25 years but at a more moderate rate relative to the nominal line, with notable increases in FY2009 and FY2010 followed by a notable decrease in FY2013 and then a notable increase in FY2014. The wage-indexed line has decreased slightly over the past 25 years, with notable increases in FY2009 and FY2010 followed by notable decreases in FY2013, FY2019, and FY2021.

Figure S2. Annual LAE Appropriation, in Nominal and Price/Wage Indexed 2021 Dollars, FY1997-FY2021



Source: CRS.

The percentage change in the annual LAE appropriation is sensitive to the indexing measure and period used. For example, between FY2010 and FY2021, the annual LAE appropriation increased by 13% in nominal terms but decreased by 8% in price-indexed terms and 20% in wage-indexed terms. On the other hand, between FY2013 and FY2021, the annual LAE appropriation increased by 17% in nominal terms and 2% in price-indexed terms but decreased by 10% in wage-indexed terms.

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Introduction

The Social Security Administration (SSA) is responsible for administering the nation's primary income support programs for older adults and individuals with disabilities: Social Security and Supplemental Security Income. As part of its duties, SSA takes benefit applications and determines program entitlement or eligibility, holds hearings and other appeals, completes program integrity reviews of certain beneficiaries, issues new and replacement Social Security number cards, and posts workers' earnings to their Social Security records. SSA is also responsible for supporting the administration of a number of non-SSA programs and laws, such as Medicare, and provides and verifies data for a variety of purposes.

Benefit payments for SSA's programs are considered mandatory spending, which means that such spending is controlled by each program's authorizing statute—not by appropriations acts.[1] However, the resources needed to carry out SSA's programs, as well as to support the administration of other priorities, are generally considered discretionary spending and thus are controlled by appropriations acts.[2] Nearly all of SSA's administrative expenses are funded by appropriations to its Limitation on Administrative Expenses (LAE) account, and almost all of the funding for the LAE account is provided each year as part of the annual appropriations process.

This report examines trends in SSA's annual LAE appropriation through FY2021, which is the most recently completed fiscal year. It begins with an overview of SSA and its administrative responsibilities. Next, the report provides an overview of the LAE account and the annual LAE appropriation. After that, it provides data on historical and recent trends in the annual LAE appropriation. Finally, the report examines recent trends in selected SSA metrics and workloads. The data underlying the appropriations figures can be found in **Appendix B**.

Overview of SSA

SSA is an independent agency in the executive branch headed by the Commissioner of Social Security.[3] SSA became an independent agency on March 31, 1995.[4] Prior to that time, SSA was a component of the Department of Health and Human Services (HHS). SSA employs about 60,000 federal workers and supports about 15,000 state Disability Determination Services (DDS) personnel who conduct disability determinations on SSA's behalf.[5] SSA has 1,235 field offices across the United States, as well as 10 regional offices, 22 teleservice centers, 8 processing centers, 164 hearing offices, and a number of other offices.[6] SSA's headquarters campus is located in Woodlawn, MD, which is outside of Baltimore.

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[1] See CRS Report R44582, *Overview of Funding Mechanisms in the Federal Budget Process, and Selected Examples*.

[2] See CRS Report R46240, *Introduction to the Federal Budget Process*.

[3] Social Security Act, Title VII (42 U.S.C. §§901 et seq.). See Social Security Administration (SSA), "Acting Commissioner," https://www.ssa.gov/agency/commissioner/.

[4] SSA, "Brief Graphic Organizational History," https://www.ssa.gov/history/orghist.html.

[5] SSA, *Annual Performance Report Fiscal Years 2021-2023*, April 1, 2022, p. 5, https://www.ssa.gov/budget/FY23Files/2023APP.pdf. DDSs are state agencies that conduct disability determinations on behalf of, and under an agreement with, SSA. State DDS personnel are state employees, and their salaries and related activities are fully funded by the federal government, subject to certain conditions. State DDS agencies are required to conduct disability determinations in accordance with the requirements of the Social Security Act, as well as SSA's regulations and sub-regulatory guidance.

[6] SSA, *Annual Statistical Supplement, 2021*, December 2021, Table 2.F1, https://www.ssa.gov/policy/docs/statcomps/supplement/2021/2f1-2f3.html. See also SSA, "Understanding Supplemental Security Income: Information About Us,"

Programs

SSA is charged with administering two federal income support programs established under the Social Security Act:[7]

- Old-Age, Survivors, and Disability Insurance (OASDI), commonly known as Social Security (Title II);[8] and
- Supplemental Security Income (SSI) for the Aged, Blind, and Disabled (Title XVI).[9]

Social Security is a social insurance program that provides insured workers and their eligible family members with a measure of protection against the loss of earnings due to the worker's retirement, disability, or death.[10] Workers obtain insurance protection (i.e., insured status) by working for a sufficient number of years in jobs covered by Social Security (i.e., jobs in which the worker's earnings were subject to the Social Security payroll tax). Benefits are based on the worker's career-average earnings in jobs covered by Social Security, and the program is financed primarily by payroll taxes, which are credited to the Social Security trust funds. SSA's congressional budget justification typically displays the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) components as separate programs.[11]

In contrast, SSI is a public assistance program that provides a guaranteed minimum income to aged, blind, or disabled individuals (including blind or disabled children) who have limited income and resources (i.e., assets).[12] SSI provides a flat benefit, which is reduced by countable income, and the program is financed by appropriations from the Department of Treasury's general fund. Some states complement federal SSI payments by providing state supplementary payments (SSPs), which are financed solely with state funds. States may elect to have SSA administer the SSPs on their behalf, provided they pay a user fee on each SSP to the federal government.

Both Social Security and SSI are individual entitlements, meaning that the federal government is obligated to pay benefits to individuals who meet the entitlement or eligibility requirements specified in each program's authorizing statute.[13] Entitlement spending is a form of mandatory

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https://www.ssa.gov/ssi/text-info-ussi.htm. *Teleservice centers* are responsible for answering calls to SSA's toll-free, national 800-number. *Processing centers* perform a variety of administrative functions, such as authorizing Social Security benefit payments, handling complex Social Security claims, processing Medicare enrollments, providing support for the national 800 number, correcting records, and processing certain post-entitlement workloads (e.g., debt collection, program integrity activities). Processing centers include SSA's six program service centers and two other offices.

[7] Social Security Act, §701 (42 U.S.C. §901). SSA also administers the Special Benefits for Certain World War II Veterans program. See Social Security Act, Title VIII (42 U.S.C. §§1001 et seq.). Because the program paid benefits to only about 158 beneficiaries on average in FY2021, it is not examined in this report. For information on the program, see SSA, *Special Benefits For Certain World War II Veterans*, March 2021, https://www.ssa.gov/pubs/EN-05-10158.pdf. For data on the program, see SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2023*, March 28, 2022, "Budget Summary Table and Other Key Tables," Table i.8, https://www.ssa.gov/budget (hereinafter *FY2023 Congressional Budget Justification*).

[8] 42 U.S.C. §§401 et seq.

[9] 42 U.S.C. §§1381 et seq.

[10] See CRS In Focus IF10426, *Social Security Overview*.

[11] See, for example, SSA, *FY2023 Congressional Budget Justification*, "Budget Overview," pp. 5-6.

[12] See CRS In Focus IF10482, *Supplemental Security Income (SSI)*.

[13] See Congressional Budget Act of 1974, §3(9) (2 U.S.C. §622(9)), for the definition of *entitlement authority*. Congress retains the right to modify provisions of the Social Security Act at any time, which may affect the benefits that current or future beneficiaries receive. See Social Security Act, §1104 (42 U.S.C. §1304).

spending and is not controlled by the annual appropriations process.[14] In FY2021, Social Security and SSI combined paid nearly $1.2 trillion in benefit payments to an average of about 70.2 million unique beneficiaries (**Table 1**).

Table 1. SSA Beneficiaries and Benefit Payments, by Program, FY2021

Program	Average Monthly Number of Beneficiaries (in Thousands)	Total Benefit Payments (in Millions)
Social Security (OASDI)	**64,906**	**$1,123,248**
OASI	55,344	$982,657
DI	9,562	$140,591
SSI	**7,879**	**$57,969**
Federal Recipients	7,742	$55,528
SSP-Only Recipients	137	$2,441
Concurrent Beneficiaries	**-2,625**	**—**
Total (Unduplicated)	**70,160**	**$1,181,218**

Source: CRS, based on Social Security Administration (SSA), *Justification of Estimates for Appropriations Committees, Fiscal Year 2023*, March 28, 2022, Figure 1 in "Budget Overview" and Table i.7 in "Budget Summary Table and Other Key Tables," http://www.ssa.gov/budget/.

Notes: OASDI = Old-Age, Survivors, and Disability Insurance. OASI = Old-Age and Survivors Insurance. DI = Disability Insurance. SSI = Supplemental Security Income. SSP = state supplementary payment. "—" = not applicable. Components may not sum to totals due to rounding. "Benefit Payments" are reported in outlays. The duplicated total number of beneficiaries in FY2021 was 72.785 million (64.906 million Social Security beneficiaries *plus* 7.879 million SSI recipients). "Concurrent Beneficiaries" are individuals who qualify for benefits under both Social Security and SSI. These individuals are counted twice in the duplicated total and thus must be subtracted out to produce the unduplicated total. "SSP-Only Recipients" are SSI recipients who are eligible for a *federally administered* SSP but are ineligible for a federal SSI payment. The data in the table exclude SSP-only recipients who are eligible for a *state-administered* SSP.

Administrative Responsibilities

SSA is tasked with numerous administrative responsibilities related to its own programs as well as other programs and laws. This report organizes SSA's administrative responsibilities into three categories: (1) Social Security and SSI, (2) Medicare, and (3) other responsibilities.

Social Security and SSI

SSA performs a variety of administrative activities related to the Social Security and SSI programs. This report focuses on the following workloads related to Social Security and SSI:

- **Initial claims.** SSA takes benefit applications, determines entitlement or eligibility, and processes awards and denials for a myriad of different claims. In

[14] CRS Report RS20129, *Entitlements and Appropriated Entitlements in the Federal Budget Process*. Funding for Social Security benefits is provided by permanent and indefinite appropriations to the Social Security trust funds. See Social Security Act, §201 (42 U.S.C. §401), and P.L. 98-21 §121(e) (42 U.S.C. §401 note). Funding for SSI benefits is provided by mandatory appropriations from the general fund in annual appropriations acts. Because spending on SSI benefits is controlled by the program's authorizing statute but funding is provided by annual appropriations acts, SSI is known as an *appropriated entitlement*. See Social Security Act, §§1601-1602 (42 U.S.C. §§1381 and 1381a).

FY2021, SSA completed 6.1 million Social Security retirement and survivor claims and 2.0 million initial disability claims under Social Security and SSI.[15]

- **Appeals.** SSA employs a three-step administrative appeals process: (1) reconsideration, (2) a hearing before an administrative law judge, and (3) review before the Appeals Council. Claimants who exhaust the administrative appeals process may file suit against SSA in federal court. Virtually all appeals involve disability claims. In FY2021, SSA completed 516,000 reconsiderations, 451,000 hearings, 118,000 Appeals Council reviews, and 28,000 new federal court appeals.[16]
- **Program integrity.** SSA periodically reviews the ongoing eligibility of Social Security disability beneficiaries and SSI recipients. The agency conducts continuing disability reviews (CDRs) to reevaluate the medical or work entitlement of Social Security disability beneficiaries, as well as the medical eligibility of SSI blindness or disability recipients. SSA also conducts SSI nonmedical redeterminations to reevaluate the financial eligibility of all SSI recipients. In FY2021, SSA completed 511,000 full medical CDRs and 2.4 million SSI nonmedical redeterminations.[17]
- **Social Security numbers (SSNs) and earnings records.** SSA assigns SSNs to nearly all U.S. citizens and certain noncitizens under several different applications processes and provides replacement cards upon request. In addition, SSA tracks the earnings of most workers for purposes of determining entitlement to Social Security and computing Social Security benefit amounts. In FY2021, SSA completed 12 million original and replacement SSN applications and posted 277 million earnings items to workers' records.[18]
- **Post-entitlement services.** After an individual is awarded benefits, SSA performs an array of post-entitlement services, such as issuing emergency payments, recomputing benefits, and updating bank account or address information. SSA performs over 100 million post-entitlement actions each year.[19]

Medicare

SSA provides key support to HHS and the Centers for Medicare & Medicaid Services (CMS) in administering portions of Medicare.[20] Specifically, SSA takes benefit applications, determines

[15] SSA, *FY2023 Congressional Budget Justification*, "Budget Overview," p. 10. The 6.1 million figure includes initial non-disabled dependent benefit claims under OASI and initial Medicare-only benefit claims.

[16] SSA, *FY2023 Congressional Budget Justification*, "Budget Overview," p. 10; SSA, "Appeals Council Requests for Review FY 2021," https://www.ssa.gov/appeals/DataSets/archive/07_FY2021/07_September_AC_Requests_For_Review.html; and SSA, "National New Court Cases and Court Remand Activity FY [2021]," https://www.ssa.gov/appeals/DataSets/archive/08_FY2021/08_September_National_New_Court_Cases_and_Remands.html.

[17] SSA, *FY2023 Congressional Budget Justification*, "Budget Overview," p. 10.

[18] SSA, *FY2023 Congressional Budget Justification*, "Budget Overview," p. 10.

[19] SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2022*, May 28, 2021, "Budget Overview," p. 7, https://www.ssa.gov/budget/.

[20] For more information on Medicare, see CRS Report R40425, *Medicare Primer*. When Medicare was established in 1965, the Secretary of the Department of Health, Education, and Welfare (HEW, now HHS) tasked SSA with administering the program. In 1977, HEW transferred responsibility for administering Medicare to the newly established Health Care Financing Administration (HCFA, now CMS) but continued to require SSA to administer key portions of the program on behalf of HCFA. When legislation was enacted in 1994 to make SSA an independent agency (effective March 31, 1995), lawmakers required SSA to continue performing those functions that the agency

entitlement or eligibility, and processes enrollment for Part A (Hospital Insurance), Part B (Supplementary Medical Insurance), and the Low-Income Subsidy (LIS) for prescription drug coverage under Part D, also known as Extra Help.[21] In addition, SSA withholds Part B and Part D premiums from Social Security benefit payments for most Medicare beneficiaries, determines income-related monthly adjustment amounts (IRMAAs) for such premiums, and notifies Medicare beneficiaries annually of changes to their Part B and Part D premiums, including IRMAAs. Moreover, SSA conducts reconsiderations concerning entitlement to Part A and Part B and performs eligibility redeterminations and appeals concerning the LIS. Further, SSA is responsible for notifying low-income Medicare beneficiaries about the LIS and Medicare Savings Programs.

Other Responsibilities

SSA is charged with supporting the administration of a number of other programs and laws, such as Medicaid, the Supplemental Nutrition Assistance Program, E-Verify, the Help America Vote Act, the State Children's Health Insurance Program, the Employee Retirement Income Security Act, the Railroad Retirement Act, the Coal Industry Retiree Health Benefit Act, health insurance marketplaces, and certain Department of Veterans Affairs programs. SSA also provides data on benefits, earnings, and prisoner status to certain federal and state agencies. Moreover, SSA shares its full file of death information with certain federal and state agencies, as well as its public Death Master File with other agencies and authorized private entities.[22] Further, SSA verifies SSNs for a myriad of different purposes on behalf governments, qualified institutions, and employers. In FY2021, SSA performed nearly 2.3 billion SSN verifications for employers.[23]

Service Delivery Methods

SSA interacts with the public in a variety of different ways, including in-person contact at field offices, over the phone via the agency's national 800 number or calls to field offices, online through ssa.gov, and through the mail. In FY2021, SSA handled about 31 million calls through its national 800 number,[24] handled about 60 million calls through its field offices,[25] processed nearly 290 million online transactions,[26] mailed approximately 350 million notices,[27] and mailed about 12 million Social Security Statements.[28]

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was responsible for conducting on behalf of HHS prior to the legislation's enactment. However, lawmakers provided that SSA and HHS may alter the terms of their previous agreement with respect to any of those functions performed by SSA on behalf of HHS. See P.L. 103-296, §105(a)(2) (42 U.S.C. §901 note), and HHS, CMS, *Why Is CMS in Baltimore?*, https://www.cms.gov/About-CMS/Agency-Information/History/downloads/CMSInBaltimore.pdf.

[21] For more information on SSA's administrative responsibilities related to Medicare, see CMS, *Brief Summaries of Medicare & Medicaid*, November 15, 2021, pp. 21-22, https://www.cms.gov/files/document/brief-summaries-medicare-medicaid-november-15-2021.pdf.

[22] See CRS Report R46640, *The Social Security Administration's Death Data: In Brief*.

[23] SSA, *Agency Financial Report, Fiscal Year 2021*, November 10, 2021, p. 8, https://www.ssa.gov/finance/.

[24] SSA, *Annual Performance Report FY2021-FY2023*, p. 64.

[25] SSA, *FY2023 Congressional Budget Justification*, "Limitation on Administrative Expenses," p. 184.

[26] SSA, *Annual Performance Report FY2021-FY2023*, pp. 16 and 21.

[27] SSA, *Agency Financial Report, Fiscal Year 2021*, p. 8.

[28] SSA, *Annual Performance Report FY2021-FY2023*, p. 65.

Prior to the COVID-19 pandemic, more than 40 million people visited SSA's field offices each year.[29] However, in response to the pandemic, SSA closed its field and other offices to the public from March 17, 2020, through April 6, 2022, except in limited situations of dire need.[30] This closure increased the public's use of SSA's other service delivery methods, particularly the national 800 number and calls to field offices.[31] SSA reopened its field and other offices to the public on April 7, 2022.[32]

Overview of the LAE Account and the Annual LAE Appropriation

SSA's administrative expenses are traditionally funded by appropriations to its LAE account, which is authorized under Section 201(g)(1) of the Social Security Act.[33] The LAE account funds SSA's activities related to Social Security, SSI, Medicare, and selected other responsibilities.[34] In other words, the LAE account funds nearly all of SSA's administrative activities. That said, a small portion of SSA's administrative activities is not funded by the LAE account. For example, SSA's Office of the Inspector General (OIG) is funded by appropriations to a separate OIG account,[35] and many of SSA's other responsibilities are funded by reimbursable agreements with third parties.[36] Further, SSA's research and demonstration budget is funded primarily by appropriations to the SSI account, with additional funding provided by transfers from the Social Security trust funds.[37] These non-LAE funding sources are not examined in this report.

Funding for the LAE account typically consists of (1) the annual LAE appropriation provided as part of the annual appropriations process; (2) funding carried over from prior fiscal years into the current fiscal year (e.g., multi-year or no-year funding); and (3) appropriations provided outside of the annual appropriations process (e.g., supplemental discretionary appropriations or mandatory appropriations). Virtually all of the funding for the LAE account for a given fiscal year is attributable to the annual LAE appropriation, which is a discretionary appropriation.[38] Since

[29] SSA, Office of the Inspector General (OIG), *The Social Security Administration's Field Office Customer Service*, July 14, 2020, https://oig-files.ssa.gov/audits/full/A-08-20-50898.pdf.

[30] SSA, "Effective March 17, 2020, Social Security Offices Will Only Offer Phone Service," March 16, 2020, https://www.ssa.gov/news/press/releases/2020/#3-2020-2. See also SSA, OIG, *Safety of Employees and Visitors Since March 2020*, February 24, 2022, https://oig.ssa.gov/assets/uploads/a-15-21-51103.pdf.

[31] SSA, OIG, *The Social Security Administration's Telephone Service Performance*, November 29, 2021, https://oig.ssa.gov/assets/uploads/A-05-20-50999_1.pdf.

[32] SSA, "Statement of Kilolo Kijakazi, Acting Commissioner: Social Security Administration to Resume In-Person Services at Local Social Security Offices," press release, April 4, 2022, https://www.ssa.gov/news/press/releases/2022/#4-2022-1.

[33] 42 U.S.C. §401(g)(1).

[34] Some of SSA's other responsibilities are funded by mandatory appropriations to the LAE account.

[35] SSA, *FY2023 Congressional Budget Justification*, "Office of the Inspector General," pp. 201-225. The OIG account is funded by appropriations from both the general fund and the Social Security trust funds. The amount transferred from the Social Security trust funds is also authorized under Social Security Act, §201(g)(1) (42 U.S.C. §401(g)(1)).

[36] SSA, OIG, *Reimbursement for Data Exchanges with Third Parties*, May 8, 2015, https://oig-files.ssa.gov/audits/full/A-03-14-24027.pdf.

[37] SSA, *FY2023 Congressional Budget Justification*, "Supplemental Security Income Program," pp. 58-84. The annual SSI appropriation finances most of SSA's research and demonstrations, while transfers from the Social Security trust funds finance Social Security disability demonstrations conducted under Social Security Act, §234 (42 U.S.C. §434).

[38] SSA obligates nearly all of its annual LAE appropriation each year. See SSA, OIG, *The Social Security Administration's Use of the Limitation on Administrative Expenses Appropriation*, September 14, 2011, https://oig-

becoming an independent agency, SSA's annual LAE appropriation has been provided under the Related Agencies section of the annual Departments of Labor, Health and Human Services, and Education, and Related Agencies (LHHS) appropriations act.[39]

This report focuses on funding provided to the LAE account each fiscal year as part of the annual appropriations process, referred to as the *annual LAE appropriation*.[40] However, in limited instances, the report examines all funding obligated or provided to the LAE account during the fiscal year, referred to as *overall LAE funding* (i.e., the annual LAE appropriation for the fiscal year *plus* applicable carryover LAE funding from prior fiscal years *plus* appropriations to the LAE account provided outside of the annual appropriations process during the fiscal year).[41]

Components of the Legislative Text of the Annual LAE Appropriation

Over the past decade, the legislative text of the annual LAE appropriation has consisted of four paragraphs. Since FY2017, the first paragraph has provided funding for what this report refers to as the *main LAE*, which funds (1) the base LAE and (2) certain dedicated program integrity (PI) activities.[42] The *base LAE*, which is equal to the main LAE less total dedicated PI funding (discussed below), constitutes the bulk of SSA's discretionary administrative funding. Most of the funding for the base LAE is not designated for particular activities and thus can be used to finance SSA's administrative responsibilities for Social Security, SSI, and Medicare as the agency sees fit. However, the first paragraph usually contains a number of provisos that set aside specified amounts for certain activities, such as the Social Security Advisory Board and, more recently, information technology modernization and efforts to address the disability hearings backlog.[43] Set-aside amounts in the first paragraph for provisos represented less than 1% of the base LAE in FY2021.

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files.ssa.gov/audits/full/A-15-11-21170.pdf.

[39] CRS Report R46859, *Labor, Health and Human Services, and Education: FY2021 Appropriations*.

[40] Data presented in this report on the *annual LAE appropriation* reflect the amount of new budget authority provided to the LAE account for the fiscal year indicated as part of the annual appropriations process. *Budget authority* is authority provided by federal law to enter into contracts or other financial *obligations* that will result in immediate or future expenditures (or *outlays*) involving federal government funds. See U.S. Government Accountability Office (GAO), *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP, September 2005, pp. 20-21, http://www.gao.gov/new.items/d05734sp.pdf.

[41] Data presented in this report on *overall LAE funding* reflect either (1) the total amount of funds obligated against all appropriations available to the LAE account for the fiscal year indicated or (2) the total amount of new budget authority provided to the LAE account during the fiscal year indicated as part of the annual appropriations process or via measures outside of the annual appropriations process. Unless otherwise noted, overall LAE funding excludes funds provided to SSA for work performed on behalf of another entity under a reimbursable agreement.

[42] For FY2012-FY2016, the first paragraph of the legislative text of the annual LAE appropriation provided funding for the base LAE only, while the second paragraph generally provided funding for base PI funding and adjustment PI funding. For FY2009-FY2011, the first paragraph provided funding for the base LAE, which included base PI funding, while the second paragraph provided adjustment PI funding. For FY2003-FY2008, no adjustment PI funding was authorized for SSA, and the equivalent of base PI funding was included in the base LAE. For FY1996-FY2002, the first paragraph provided funding for the base LAE and base PI funding, while subsequent paragraphs specified the amount of base PI funding in the first paragraph and provided adjustment PI funding.

[43] Traditionally, the first paragraph of the legislative text of the annual LAE appropriation contains a proviso specifying that any unobligated balances at the end of the fiscal year not needed during the fiscal year are to remain available until expended to invest in SSA's information technology (IT) and telecommunications hardware and software infrastructure. This type of carryover funding is known as *no-year IT funding*. See SSA, OIG, *The Social Security Administration's Limitation on Administrative Expenses Appropriation's Transfer Authority*, October 31, 2011,

Since FY2017, the second paragraph has specified the amount of the main LAE in the first paragraph that is dedicated to certain PI activities, such as CDRs and SSI nonmedical redeterminations. The Budget Control Act of 2011 (P.L. 112-25) provided adjustments to the discretionary spending limits (also knowns as *caps*) during FY2012-FY2021 for certain SSA PI activities up to a specified amount each year.[44] This *adjustment PI funding* was effectively exempt from the discretionary spending caps but was conditioned on lawmakers first providing at least $273 million in *base PI funding*, which was subject to the discretionary spending caps. Since FY2017, the second paragraph has specified the amount of *total dedicated PI funding*, as well as the amounts of base PI funding and adjustment PI funding. The *statutory* discretionary spending caps and accompanying adjustments for certain SSA PI activities expired at the end of FY2021. However, these adjustments were continued in the *procedural* budget enforcement associated with the FY2022 budget resolution and the FY2022 LHHS appropriations act.[45]

The third and fourth paragraphs have traditionally provided additional funding from a portion of the *user fees* collected for SSA's administration of SSPs under the SSI program[46] and certifications of non-attorney claimant representatives.[47] Since FY2017, the total annual LAE appropriation has been equal to the main LAE specified in the first paragraph *plus* the user fees specified in the third and fourth paragraphs. **Table 2** shows the components of the legislative text of the annual LAE appropriation in the FY2021 LHHS appropriations act.

Table 2. Components of the Legislative Text of the Annual LAE Appropriation, FY2021

Line #	Source in Text	Components	Amount
1	Paragraph 1	Main LAE	$12,794,945,000
2	Line 1 – Line 3	Base LAE (non-add)	$11,219,945,000
3	Paragraph 2	Total dedicated PI (non-add)	$1,575,000,000
4	Paragraph 2	*Base PI (non-add)*	*$273,000,000*
5	Paragraph 2	*Adjustment PI (non-add)*	*$1,302,000,000*
6	Paragraph 3	SSI SSP user fees	$135,000,000
7	Paragraph 4	Non-attorney certifications user fees	$1,000,000
8	**Lines 1+ 6 + 7**	**Total annual LAE**	**$12,930,945,000**

Source: CRS analysis of pp. 439-440 of the Consolidated Appropriations Act, 2021 (P.L. 116-260, Division H).

Notes: PI = program integrity. SSI = Supplemental Security Income. SSP = state supplementary payment. "Non-add" amounts are displayed for clarification purposes; these amounts are not added to the totals. Data reflect new budget authority provided by the annual LAE appropriation only; they exclude the $38 million provided to the LAE account under Division N of P.L. 116-260 for work related to recovery rebates, also known as economic impact payments. The first paragraph set aside the following amounts from the base LAE for provisos: $2.5 million for the Social Security Advisory Board (SSAB), $45.0 million for information technology (IT) modernization (available until expended), and $50.0 million for efforts to address the disability hearings backlog

https://oig-files.ssa.gov/audits/full/A-15-11-01117.pdf.

[44] Appendix A in CRS Report R46859, *Labor, Health and Human Services, and Education: FY2021 Appropriations*.

[45] See S.Con.Res. 14 §§4004(b)(1) and 4005(a), pp. 445-446 of the Consolidated Appropriations Act, 2022 (P.L. 117-103, Division H), and Appendix A in CRS Report R47029, *Labor, Health and Human Services, and Education: FY2022 Appropriations*.

[46] SSA, *FY2023 Congressional Budget Justification*, "Limitation on Administrative Expenses," pp. 127-128.

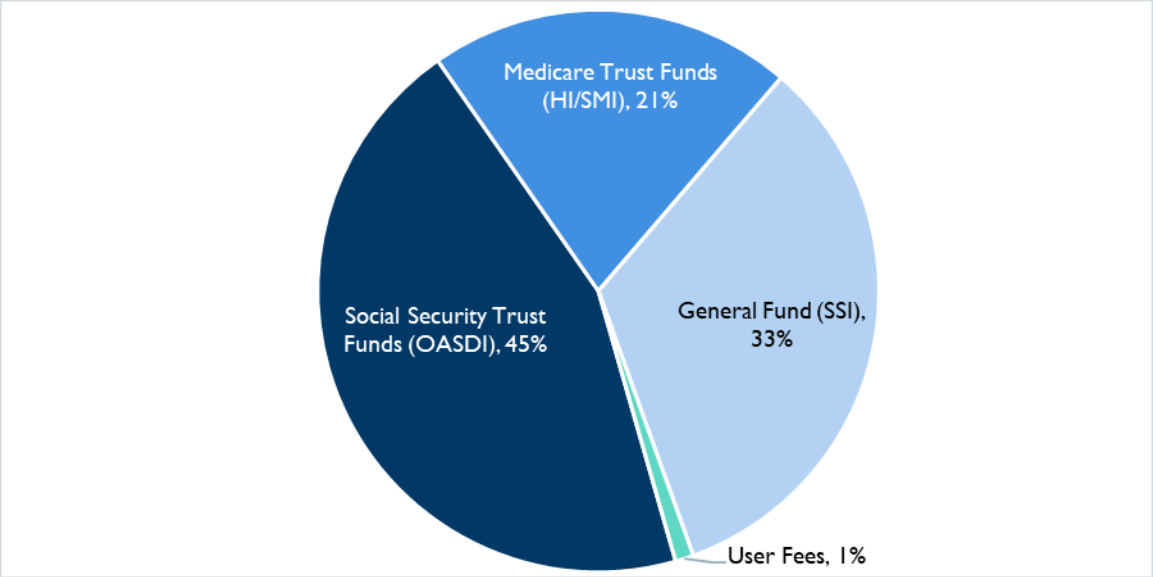
[47] SSA, "Direct Payment to Eligible Non-Attorney Representatives," https://www.ssa.gov/representation/nonattyrep.htm.

(available through September 30, 2022). These set-aside amounts on a combined basis ($97.5 million) represented less than 1% of the base LAE. An additional proviso specified that unobligated balances provided under the first paragraph at the end of FY2021 that are not needed for the fiscal year shall remain available until expended for IT and telecommunications hardware and software infrastructure. The second paragraph specified that total dedicated PI funding shall remain available through March 31, 2022. It also specified that up to $11.2 million may be transferred from the adjustment PI funding portion of the annual LAE appropriation to the Office of the Inspector General account for the cost of jointly operating antifraud cooperative disability investigations units. For similar data for FY2010-FY2021, see **Table C-1** in **Appendix C**.

Funding Sources

Figure 1 shows the percentage distribution of the annual LAE appropriation for FY2021 by funding source. The largest share of funding for the annual LAE appropriation came from the Social Security trust funds (45%) followed by the general fund for SSI (33%) and then the Medicare trust funds (21%).

Figure 1. Percentage Distribution of the Annual LAE Appropriation, by Funding Source, FY2021



Source: SSA, *FY2023 Congressional Budget Justification*, "Limitation on Administrative Expenses," Table 3.13, p. 130.

Notes: OASDI = Old-Age, Survivors, and Disability Insurance. HI/SMI = Hospital Insurance and Supplementary Medical Insurance. SSI = Supplemental Security Income. Components may not sum to 100% due to rounding. Data reflect new budget authority provided by the annual LAE appropriation only. Funding attributable to the Social Security trust funds includes amounts for SSAB.

Section 201(g)(1)(A) of the Social Security Act provides an authorization of appropriations for such sums as lawmakers deem appropriate to pay for the costs of the administration of Social Security (Title II), SSI (Title XVI), and Medicare (Title XVIII) activities for which SSA is responsible.[48] LAE funding attributable to Social Security and Medicare is provided directly from the Social Security and Medicare trust funds, respectively. LAE funding attributable to SSI is

[48] 42 U.S.C. §401(g)(1)(A). The LAE authorization of appropriations also provides authority for administrative expenses attributable to the Special Benefits for Certain World War II Veterans program. See footnote 7.

initially appropriated from the Social Security trust funds.[49] SSI's mandatory appropriation from the general fund, which is also provided by the annual LHHS appropriations act, is later used to reimburse the Social Security trust funds for LAE funding attributable to SSI.[50] SSA uses its Cost Analysis System to assign LAE-based expenses among the trust funds and the general fund.[51] This assignment is initially made on an estimated basis and later reconciled at the end of the year to reflect actual experience.[52] Separate authorizations of appropriations govern user fees collected for SSA's administration of SSPs under the SSI program and certifications of non-attorney claimant representatives.[53]

Table 3 shows annual LAE outlays as a share of SSA benefit payments for FY2021 by program. Annual LAE outlays attributable to SSA's programs only (Social Security and SSI) were 0.9% of total SSA benefit payments, and annual LAE outlays attributable to SSA's programs and Medicare were 1.1% of total SSA benefit payments.

Table 3. Annual LAE Outlays as a Share of SSA Benefit Payments, by Program, FY2021

Program	Annual LAE Outlays (in Millions)	SSA Benefit Payments (in Millions)	Annual LAE Outlays as a Share of SSA Benefit Payments
Social Security (OASDI)	$5,972	$1,123,248	0.5%
OASI (non-add)	$3,457	$982,657	0.4%
DI (non-add)	$2,516	$140,591	1.8%
SSI (federal and state)	$4,407	$57,969	7.6%
SSA Subtotal	**$10,379**	**$1,181,218**	**0.9%**
Medicare	$2,802	—	—
Total	**$13,180**	**$1,181,218**	**1.1%**

Source: CRS, based on SSA, *FY2023 Congressional Budget Justification*, Figure 1 in "Budget Overview" and Table 3.13 in "Limitation on Administrative Expenses."

Notes: OASDI = Old-Age, Survivors, and Disability Insurance. SSI = Supplemental Security Income "—" = not applicable. Components may not sum to totals due to rounding. "SSA Benefit Payments" are reported in outlays. "Non-add" amounts are displayed for clarification purposes; these amounts are not added to the totals. "Annual LAE Outlays" include LAE outlays attributable to the Social Security trust funds, the Medicare trust funds, SSI's appropriation for administrative expenses, SSI SSP user fees, and non-attorney certification user fees. It excludes

[49] Social Security Amendments of 1972 (P.L. 92-603), §305(b) (42 U.S.C. §401 note).

[50] Ibid. In general, SSA is required to reimburse the Social Security trust funds for SSI's share of LAE funding for a given fiscal year by the close of the subsequent fiscal year. SSA must place the Social Security trust funds in the same position they would have been in had the SSI-related expenditures not taken place, including any interest lost.

[51] See SSA, OIG, *Cost Analysis System Background Report and Viability Assessment*, April 20, 2011, https://oig-files.ssa.gov/audits/full/A-15-10-20149.pdf; SSA, OIG, *Office of Disability Adjudication and Review Cost Allocation Process*, May 5, 2011, https://oig-files.ssa.gov/audits/full/A-15-10-20150.pdf; SSA, OIG, *The Social Security Administration Cost Allocation Process*, December 7, 2011, https://oig-files.ssa.gov/audits/full/A-15-10-20151.pdf; and SSA, OIG, *The Social Security Administration Cost Allocation Methodology*, June 18, 2012, https://oig-files.ssa.gov/audits/full/A-15-10-20152%20%283%29.pdf.

[52] Social Security Act, §201(g)(1)(B)-(D) (42 U.S.C. §401(g)(1)(B)-(D)), and 31 U.S.C. §1534. See also SSA, *Agency Financial Report, Fiscal Year 2021*, p. 52.

[53] The authorizations of appropriations for user fees collected for SSA's administration of SSPs under the SSI program are specified in Social Security Act, §1616(d)(4)(B) (42 U.S.C. §1382e(d)(4)(B)), and P.L. 93-66, §212(b)(3)(D)(ii) (42 U.S.C. §1382 note). The authorization of appropriations for user fees collected for the administration of certifications of non-attorney claimant representatives is specified in Social Security Act, §206(e)(3)(C) (42 U.S.C. §406(e)(3)(C)).

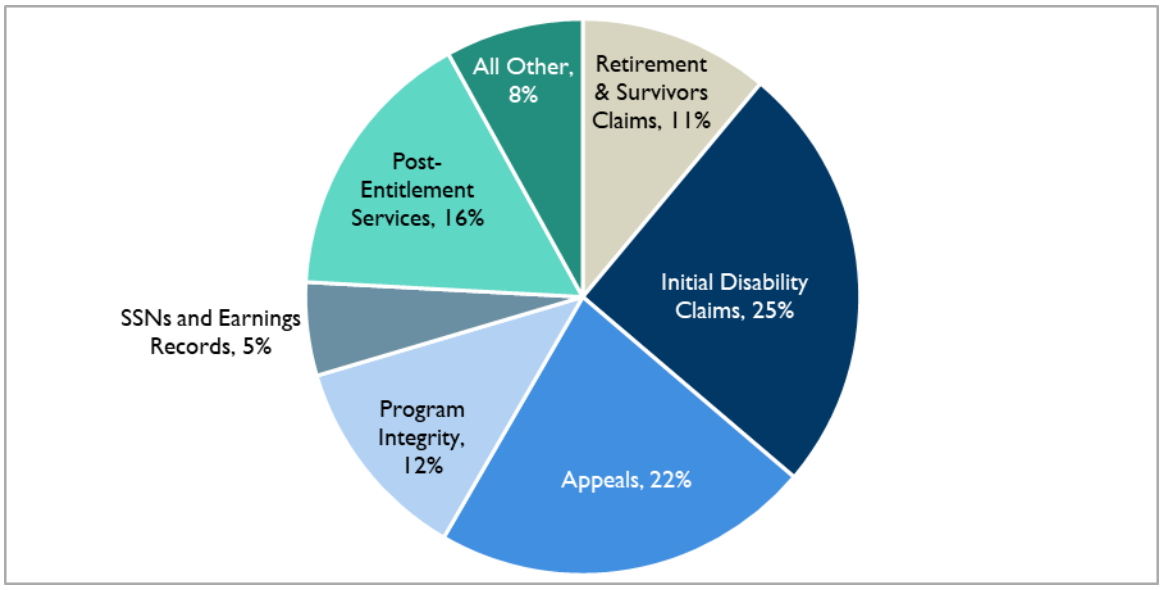
LAE outlays attributable to appropriations provided outside of the annual appropriations process during the fiscal year. Annual LAE outlays under "SSI (federal and state)" include SSI SSP user fees and non-attorney claimant representative certification user fees. The total amount of annual LAE outlays for FY2021 ($13.180 billion) differs from the total amount of new budget authority provided by the annual LAE appropriation for FY2021 ($12.931 billion) because the outlay measure includes a small amount of carryover funding and certain adjustments.

The ratio of annual LAE outlays to SSA benefit payments is greater for SSA's disability programs (DI and most of SSI) compared with OASI because the disability programs are more complicated to administer and thus require more resources per claimant or beneficiary. As a means-tested program, SSI is particularly complex to administer because SSA must routinely monitor and verify the income, resources, and living arrangements of SSI recipients and adjust their benefit payments every time there is a relevant change, which could be on a month-by-month basis.

Use of LAE Funding

Figure 2 shows the percentage distribution of overall LAE funding for FY2021 by major workload. The largest major workload that year was initial disability claims under Social Security and SSI (25%), followed by appeals (22%) and then post-entitlement services (16%). A majority of SSA's overall LAE funding was used to process disability-related workloads under the Social Security and SSI programs (i.e., all initial disability claims, nearly all appeals, and a majority of program integrity reviews).

Figure 2. Percentage Distribution of Overall LAE Funding, by Major Workload, FY2021



Source: CRS, based on SSA, *FY 2023 President's Budget Highlights*, March 2022, slide 8.

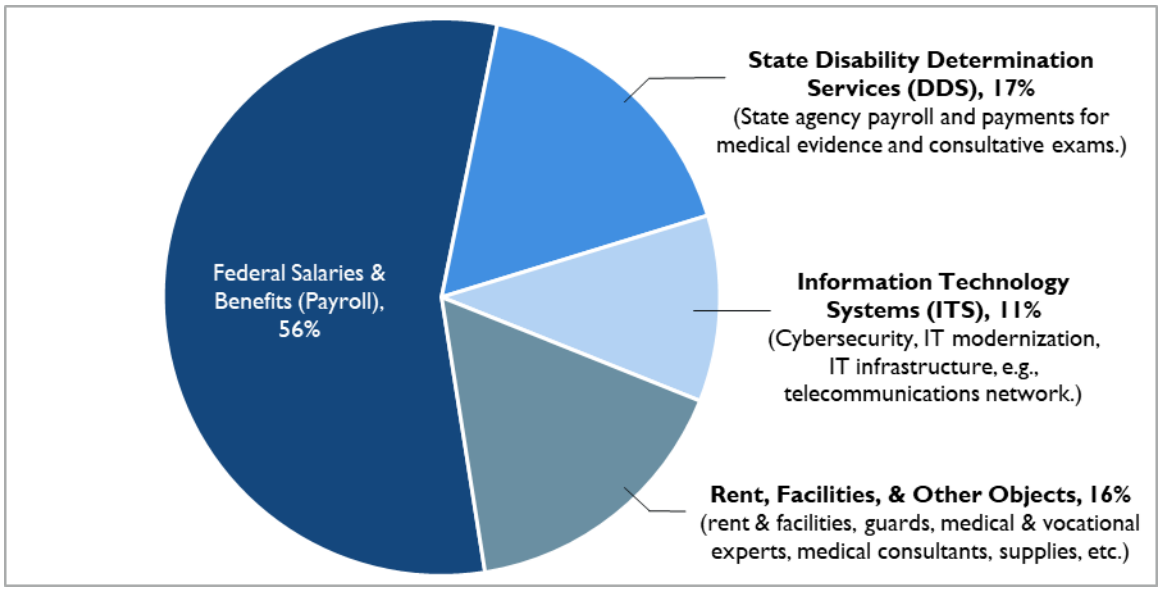
Notes: Components may not sum to 100% due to rounding. "Appeals" refers to reconsiderations, hearings, and Appeals Council reviews; it does not include federal court reviews. "Program Integrity" refers to continuing disability reviews (CDRs) and SSI nonmedical redeterminations.

Figure 3 shows the estimated percentage distribution of overall LAE funding for FY2021 by major expense category. The largest major expense that year was federal salaries and benefits (56%), followed by state DDS agencies (17%) and then rent, facilities, and other objects (16%). A

majority of SSA's overall LAE funding was used to pay for personnel costs (i.e., federal salaries and benefits *plus* a majority of state DDS costs).[54]

Figure 3. Percentage Distribution of Overall LAE Funding, by Major Expense Category, FY2021

(estimated)



Source: SSA, *FY2023 Congressional Budget Justification*, "Limitation on Administrative Expenses," Table 3.17, p. 136.

Notes: IT = information technology. Components may not sum to 100% due to rounding. Data reflect the estimated percentage distribution of overall LAE obligations for FY2021. SSA's FY2023 congressional budget justification projects the same basic percentage distribution for the FY2023 President's request for the LAE account. However, that projection separates out rent & facilities (6%) and other objects (10%).

Trends in the Annual LAE Appropriation

This section examines trends in the enacted annual LAE appropriation.[55] The data presented in this section reflect new budget authority provided to the LAE account as part of the annual appropriations process for the fiscal year indicated[56] and include reductions due to sequestration and most rescissions.[57] The data exclude carryover LAE funding from prior fiscal years and funds

[54] A majority of a state DDS agency's costs are for personnel. See SSA, OIG, *Costs Claimed by the Texas Disability Determination Services*, September 22, 2021, https://oig.ssa.gov/assets/uploads/a-55-20-00001.pdf.

[55] For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77.

[56] Some of the budget authority provided to the LAE account for the fiscal year indicated may be carried over into subsequent fiscal years (i.e., multi-year or no-year funding). For the definition of *budget authority*, see footnote 40.

[57] For more information on sequestration and recessions, see GAO, *A Glossary of Terms Used in the Federal Budget Process*. This report excludes a $47 million rescission of funds for the administration of economic recovery payments under P.L. 111-226, §318, because those funds were provided by a mandatory appropriation during the previous fiscal year as part of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) and thus were provided outside of the annual appropriations process. It also excludes a $200 million rescission of no-year IT funds under the Additional Continuing Appropriations Amendments, 2011 (P.L. 112-6), and a $75 million rescission of no-year IT funds under the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), because the focus of this

provided to SSA for work performed on behalf of another entity under a reimbursable agreement. In addition, the data exclude the Congressional Budget Office's adjustments to user fees.[58] To provide context on the size of the annual LAE appropriation relative to total funding provided to the LAE account during the fiscal year, this section also provides data on the annual LAE appropriation, supplemental or other appropriations to the LAE account provided outside of the annual appropriations process, and overall LAE funding.[59]

In addition to the enacted annual LAE appropriation, this section examines trends in the Commissioner's request and the President's request for the annual LAE appropriation. Section 704(b)(1) of the Social Security Act requires the Commissioner of Social Security to prepare an annual budget for the Administration, which is required to be submitted by the President to Congress, without revision, together with the President's budget.[60] The Commissioner's request is independent of the President's request and designed to provide Congress with information on the amount of funding the Commissioner determines to be necessary for SSA to carry out its mission.

Historical Trends: FY1997-FY2021

Figure 4 shows the trend in the requested and enacted levels for the annual LAE appropriation since FY1997. CRS selected FY1997 as the starting point because it was the first year for which the Commissioner of Social Security submitted an independent budget request. To provide a more direct comparison with the discretionary enacted levels, the Commissioner's request and the President's request are adjusted to exclude mandatory LAE funding, carryover LAE funding, and funding provided to accounts other than the LAE account. For more information on these adjustments, see **Table B-2** and **Table B-3** in **Appendix B**.[61] Note that the FY2018 President's budget did not include information on the FY2018 Commissioner's request.

The Commissioner's request for the annual LAE appropriation has exceeded the President's request in nominal (i.e., current) dollars for all but two fiscal years: FY1997 and FY2015. Note that the FY2015 Commissioner's request proposed establishing mandatory funding for certain SSA PI activities, which CRS excluded from **Figure 4** (see **Table B-2** in **Appendix B**) because the LAE account has traditionally been a chiefly discretionary appropriations account. If the proposed mandatory PI funding had been included in **Figure 4**, then the FY2015 Commissioner's request would have exceeded the FY2015 President's request.

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section is on the annual LAE appropriation and not carryover LAE funding.

[58] A *Congressional Budget Office (CBO) adjustment* refers to a reduction in the amount of budget authority from a collections activity to reflect CBO's projection of the amount of money that will actually be collected from that activity. Such adjustments are necessary when a portion of the overall budget authority for an account is tied to the amount of user fees collected during the fiscal year. CBO typically projects that actual user fee collections from SSA's administration of SSI SSPs and non-attorney claimant representative certifications will be less than the amount of budget authority that lawmakers propose or authorize for the LAE account from such activities.

[59] For this section, *overall LAE funding* includes the annual LAE appropriation and appropriations to the LAE account provided outside of the annual appropriations process but excludes carryover LAE funding. See footnote 41.

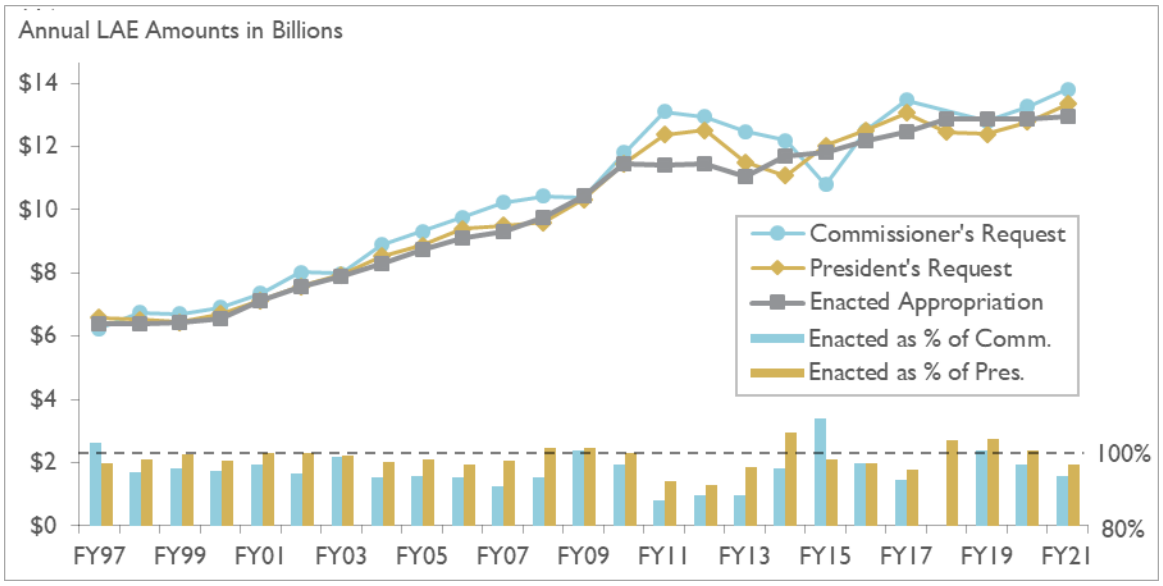
[60] 42 U.S.C. §904(b)(1). The Commissioner's budget request is included at the end of SSA's section of the appendix to the President's budget in the form of topline numbers for *administrative expenses* (generally the total annual LAE), the OIG, and, in recent years, research and demonstrations. See, for example, U.S. Office of Management and Budget, *Appendix, Budget of the United States Government, Fiscal Year 2021*, p. 1226, https://www.govinfo.gov/content/pkg/BUDGET-2021-APP/pdf/BUDGET-2021-APP-1-30.pdf#page=10. In 1998, GAO determined that the presentation of the Commissioner's request in the appendix to the President's budget complies with federal law and the budget process. See GAO, *SSA: The Agency's Relationship With the Office of Management and Budget Since Becoming an Independent Agency*, HEHS-98-235R, August 26, 1998, p. 5, https://www.gao.gov/assets/hehs-98-235r.pdf.

[61] The adjustment process used in this report differs slightly from past CRS reports. See, for example, CRS Report R44645, *Social Security Administration (SSA): FY2017 Appropriations and Recent Trends*.

The enacted appropriation has exceeded the Commissioner's request for FY1997, FY2009, FY2015, and FY2019 only. The enacted appropriation has exceeded the President's request for FY2008, FY2009, FY2014, FY2018, FY2019, and FY2020 only. Note that the FY2014 President's request proposed establishing mandatory funding for certain SSA PI activities, which would have been provided to a new limitation account rather than to the LAE account (see **Table B-3** in **Appendix B**). If the proposed mandatory PI funding had been included in **Figure 4**, then the FY2014 enacted appropriation would have been less than the FY2014 President's request.

Figure 4. Requested and Enacted Annual LAE Appropriation, FY1997-FY2021

(in billions of nominal dollars)



Source: CRS, based on the following sources: unpublished data provided by SSA to CRS on June 14, 2021; U.S. Office of Management and Budget (OMB), *Budget of the United States Government, Fiscal Year 1997—Appendix*, and subsequent editions; SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2004*, and subsequent editions; and U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Challenges Facing the New Commissioner of Social Security*, 106th Cong., 2nd sess., March 12, 1998, H.Hrg. 105-95 (Washington, DC: GPO, 1999), p. 52.

Notes: Comm. = Commissioner's request. Pres. = President's request. Amounts for the enacted appropriation reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. To provide a more direct comparison with the enacted levels, the Commissioner's request and the President's request are adjusted to exclude mandatory LAE funding, carryover LAE funding, and funding provided to accounts other than the LAE account. SSA's unpublished data and the FY2018 President's budget do not include information on the FY2018 Commissioner's request. See **Table B-1** in **Appendix B** for the underlying data. See **Table B-2** and **Table B-3** in **Appendix B** for the unadjusted and adjusted amounts in the Commissioner's request and the President's request, respectively.

Figure 5 shows the trend in the annual LAE appropriation using three measures: (1) nominal dollars, (2) price-indexed 2021 dollars, and (3) wage-indexed 2021 dollars. The lower line labeled "Nominal Dollars" shows a steady increase in the annual LAE appropriation over the past 25 years, with notable increases in FY2008-FY2010 followed by a notable decrease in FY2013 and then a notable increase in FY2014.[62] The middle line in **Figure 5** labeled "Price Indexed to 2021

[62] For this section, an increase or decrease is considered *notable* if it is at least 4% when rounded to the nearest whole percentage point.

Dollars (CPI-U)" shows the trend in the annual LAE appropriation adjusted for changes in prices (i.e., inflation), as measured by the Consumer Price Index for All Urban Consumers (CPI-U).[63] The price-indexed line has also generally increased over the past 25 years but at a more moderate rate relative to the nominal line, with notable increases in FY2009 and FY2010 followed by a notable decrease in FY2013 and then a notable increase in FY2014.

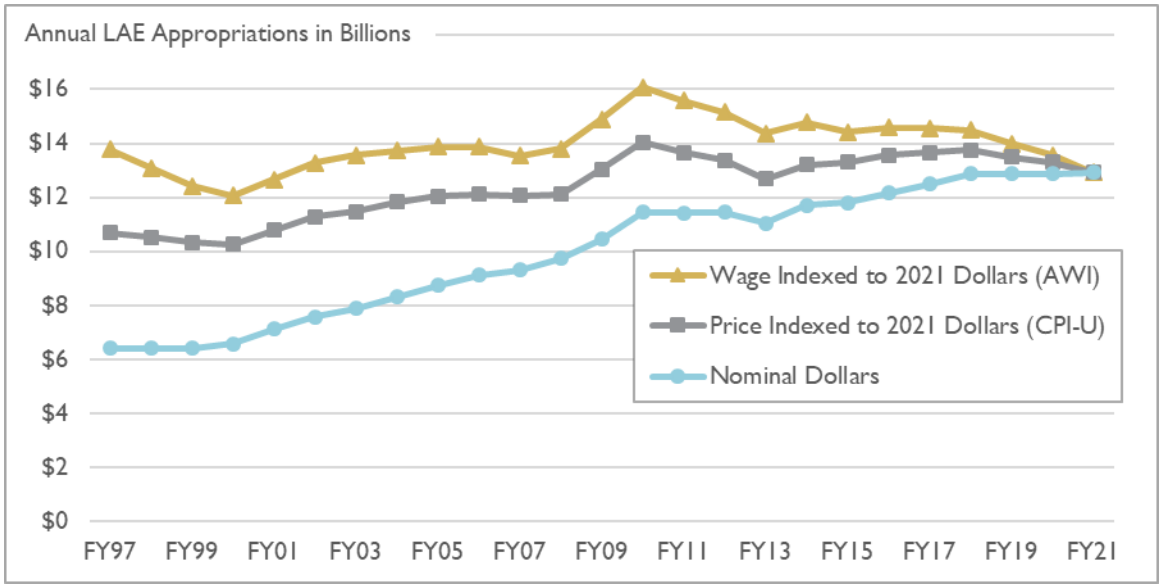
Another method for examining trends is to adjust the annual LAE appropriation for changes in wages. A majority of SSA's administrative funding is obligated for payroll expenses, which include salaries and benefits for both federal SSA personnel and state DDS personnel (**Figure 3**). Because wages tend to grow faster than prices do, indexing the annual LAE appropriation to changes in prices may *understate* the real growth in SSA's administrative costs. However, because not all of SSA's administrative costs are payroll related, indexing the entire annual LAE appropriation to changes in wages may *overstate* the real growth in SSA's administrative costs. The top line in **Figure 5** labeled "Wage Indexed to 2021 Dollars (AWI)" shows the trend in the annual LAE appropriation adjusted for changes in wages, as measured by SSA's Average Wage Index (AWI).[64] The wage-indexed line has decreased slightly over the past 25 years, with notable increases in FY2009 and FY2010 followed by notable decreases in FY2013, FY2019, and FY2021.

[63] U.S. Department of Labor, Bureau of Labor Statistics (BLS), "Consumer Price Index (CPI) Databases," https://www.bls.gov/cpi/data.htm. This report uses the average annual change in the seasonally-adjusted Consumer Price Index for All Urban Consumers (CPI-U) for all items in the U.S. city average to compute price-indexed 2021 dollars. The average annual change is computed over the fiscal year.

[64] See CRS In Focus IF11931, *Social Security: The Average Wage Index*. This report uses the average annual change in the AWI for the fiscal year to compute wage-indexed 2021 dollars. CRS used historical values from SSA's AWI page and the projected value for 2021 in the Social Security trustees' 2021 report. See SSA, Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html; and Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, *The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, August 31, 2021, Table V.C1, https://www.ssa.gov/oact/tr/2021/V_C_prog.html#1047210. CRS used a weighted average to convert the calendar-year AWI data into fiscal-year data.

Figure 5. Annual LAE Appropriation, in Nominal and Price/Wage Indexed 2021 Dollars, FY1997-FY2021

(in billions of dollars)



Source: CRS, based on the following sources: SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2004*, and subsequent editions; BLS, "Consumer Price Index (CPI) Databases," https://www.bls.gov/cpi/data.htm; SSA, Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html; and Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, *The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, August 31, 2021, Table V.C1, https://www.ssa.gov/oact/tr/2021/V_C_prog.html#1047210.

Notes: AWI = Average Wage Index. CPI-U = Consumer Price Index for All Urban Consumers. Amounts reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. Amounts are price indexed to 2021 dollars using the annual average change in BLS's seasonally adjusted CPI-U for all items in the U.S. city average for the fiscal year. Amounts are wage indexed to 2021 dollars using the average annual change in SSA's AWI for the fiscal year. For the AWI, CRS used historical values from SSA's AWI page and the projected value for 2021 from the Social Security trustees' 2021 report. CRS used a weighted average to convert the calendar-year AWI data into fiscal-year data. See **Table B-4** in **Appendix B** for the underlying data and alternative indexing measures.

Table 4 shows the percentage change in the FY2021 annual LAE appropriation relative to selected earlier fiscal years in nominal, price-indexed, and wage-indexed terms. The magnitude and direction of the percentage change varies based on the indexing measure and starting point used. CRS selected the starting points in **Table 4** to provide a snapshot of the extent of this variation. For example, using price-indexed 2021 dollars (i.e., adjusted for inflation), the annual LAE appropriation *decreased* by 8% between FY2010 and FY2021 but *increased* by 2% between FY2013 and FY2021.[65] On the other hand, using wage-indexed 2021 dollars (i.e., adjusted for wage growth), the annual LAE appropriation decreased during both of these periods but by notably different magnitudes: a 20% decline between FY2010 and FY2021 versus a 10% decline

[65] The annual LAE appropriation for FY2010 was $993.0 million more than for FY2009. The annual LAE appropriation for FY2013 was $407.7 million less than for FY2012; it was initially set at the FY2012 level and then reduced by $21.4 million due to a rescission and then by $386.3 million due to the discretionary sequester.

between FY2013 and FY2021. For single-year percentage change data and alternative indexing measures, see **Table B-4** in **Appendix B**.[66]

Table 4. Percentage Change in the FY2021 Annual LAE Appropriation Relative to Selected Earlier Fiscal Years, in Nominal and Price/Wage Indexed 2021 Dollars

Percentage Change in the FY2021 Annual LAE Appropriation Relative to—	Nominal Dollars	Price-Indexed to 2021 Dollars (CPI-U)	Wage-Indexed to 2021 Dollars (AWI)
FY2001	+82%	+20%	+2%
FY2004	+56%	+9%	-6%
FY2007	+39%	+7%	-5%
FY2010	+13%	-8%	-20%
FY2013	+17%	+2%	-10%
FY2016	+6%	-5%	-11%
FY2019	+0.4%	-4%	-8%

Source: CRS, based on SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2012*, and subsequent editions.

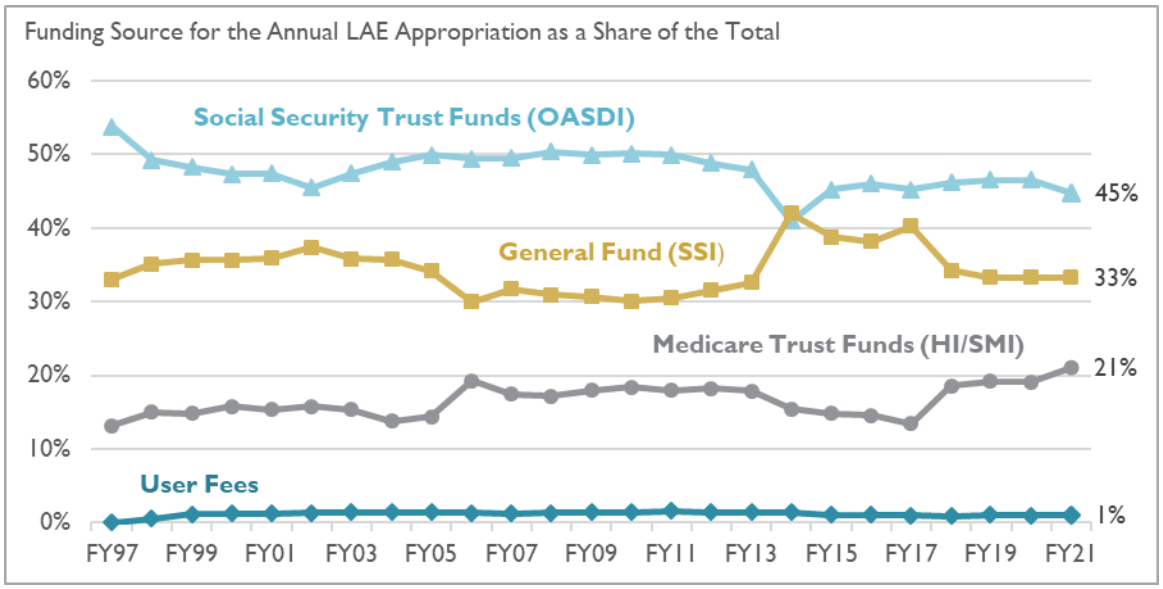
Notes: CPI-U = Consumer Price Index for All Urban Consumers. AWI = Average Wage Index. See the "Notes" section of **Figure 5** for the methodology. See also **Table B-4** in **Appendix B** for the data used to calculate the percentage changes, as well as single-year percentage change data and alternative indexing measures.

Figure 6 shows the trend in the percentage distribution of the annual LAE appropriation by funding source. Between FY1997 and FY2021, the share of the annual LAE appropriation attributable to the Social Security trust funds decreased from 54% to 45%, while the share attributable to the Medicare trust funds increased from 13% to 21%. The increase in the share of the annual LAE appropriation attributable to the Medicare trust funds during this period likely stemmed, in part, from SSA's increased administrative responsibilities related to Medicare Part D (including the LIS), which became effective in 2006. SSA's FY2023 congressional budget justification notes that the agency is working with CMS to "evaluate the cost-sharing agreement that determines the portion of administrative expenses borne by the SSA and Medicare trust funds and the General Fund."[67] Since FY2012, less than half of the funding for the annual LAE appropriation has come from the Social Security trust funds.

[66] **Table B-4** in **Appendix B** includes two additional indexing measures: the Bureau of Economic Analysis's Gross Domestic Product (GDP) Price Index and BLS's Employment Cost Index (ECI). **Figure B-1** in **Appendix B** shows the annual LAE appropriation in nominal dollars for FY1997-FY2021, as well as in indexed 2021 dollars using the GDP Price Index, CPI-U, ECI, and AWI. For a discussion of the CPI-U and GDP Price Index, see Jonathan D. Church, "Comparing the Consumer Price Index with the Gross Domestic Product Price Index and Gross Domestic Product Implicit Price Deflator," *Monthly Labor Review*, BLS, March 2016, https://www.bls.gov/opub/mlr/2016/article/comparing-the-cpi-with-the-gdp-price-index-and-gdp-implicit-price-deflator.htm. For a discussion of the ECI and alternative wage indexing measures, see CBO, *Alternative Approaches to Adjusting Military Cash Pay*, September 9, 2021, https://www.cbo.gov/publication/57192.

[67] SSA, *FY2023 Congressional Budget Justification*, "Limitation on Administrative Expenses," p. 129. For an analysis of the cost allocation methodology used to assign costs between the Social Security and Medicare trust funds, see SSA, OIG, *The Social Security Administration Cost Allocation Methodology*.

Figure 6. Percentage Distribution of the Annual LAE Appropriation, by Funding Source, FY1997-FY2021



Source: CRS, based on S.Rept. 105-58, S.Rept. 105-300, and SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2001*, and subsequent editions.

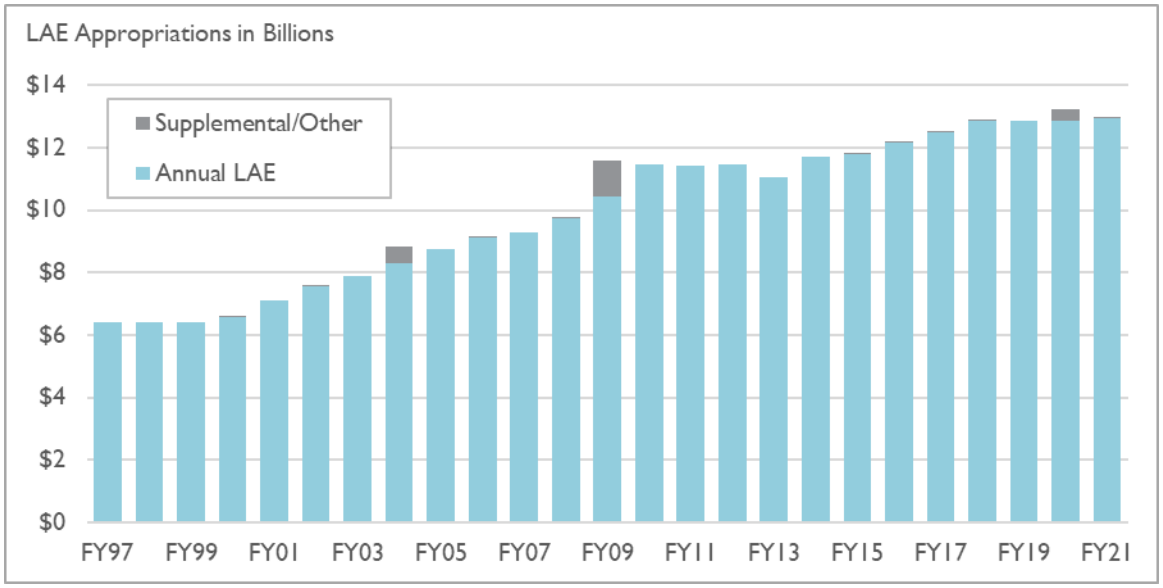
Notes: OASDI = Old-Age, Survivors, and Disability Insurance. HI/SMI = Hospital Insurance and Supplementary Medical Insurance. SSI = Supplemental Security Income. Amounts reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. Funding attributable to the Social Security trust funds includes amounts for SSAB. See **Table B-5** in **Appendix B** for the underlying data.

Figure 7 shows the trend in overall LAE funding by type of appropriation. The figure includes the annual LAE appropriation provided as part of the annual appropriations process for the fiscal year indicated, as well as appropriations to the LAE account provided outside of the annual appropriations process during the fiscal year indicated (i.e., supplemental discretionary appropriations or mandatory appropriations).[68] For example, during FY2020, SSA received nearly $12.871 billion for its annual LAE appropriation under the Further Consolidated Appropriations Act, 2020 (P.L. 116-94; Division A); $300 million in supplemental discretionary funding under the emergency appropriations part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136, Division B); and $38 million in mandatory funding under the assistance for workers, families, and businesses part of the CARES Act (P.L. 116-136, Division A, Title II) for work related to recovery rebates, also known as economic impact payments. These amounts combined represented almost $13.209 billion in overall LAE funding for FY2020.

[68] The figure excludes carryover LAE funding from fiscal prior years. Funding provided outside of the annual appropriations process for FY2016-FY2018 was provided *for* the fiscal years indicated rather than *during*.

Figure 7. Overall LAE Funding, by Type of Appropriation, FY1997-FY2021

(in billions of nominal dollars)



Source: CRS, based on SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2004*, and subsequent editions.

Notes: Amounts reflect new budget authority and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. "Annual LAE" refers to the annual LAE appropriation provided as part of the annual appropriations process for the fiscal year indicated. "Supplemental/Other" refers to supplemental discretionary appropriations or mandatory appropriations to the LAE account provided outside of the annual appropriations process *during* the fiscal year indicated, except for funding shown for FY2016-FY2018, which was provided *for* the fiscal year indicated. Supplemental/Other excludes carryover LAE funding from prior fiscal years. See **Table B-6** in **Appendix B** for the underlying data and additional information.

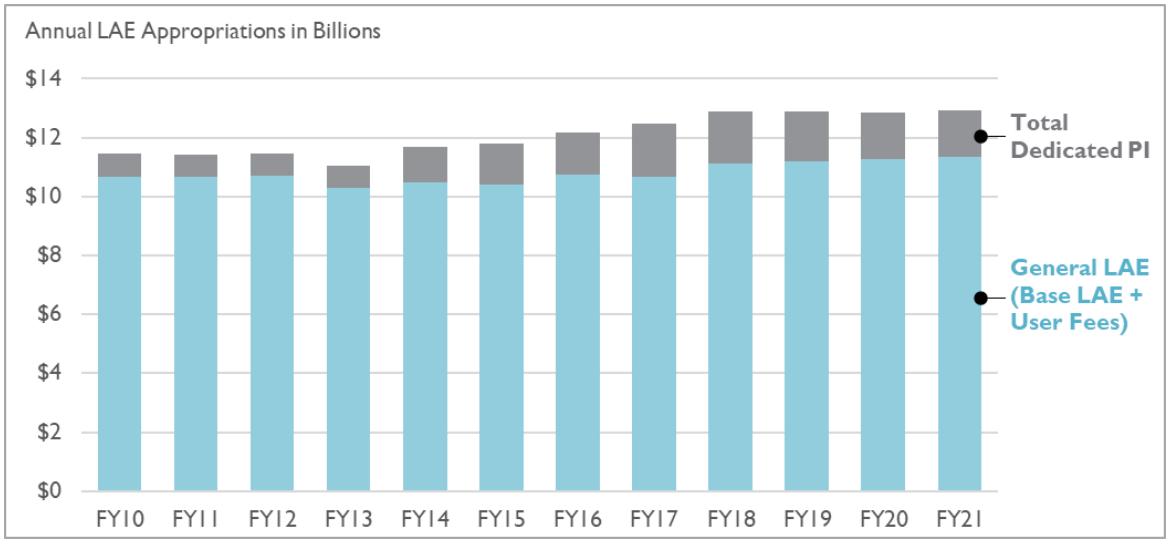
Recent Trends: FY2010-FY2021

This section examines recent trends in the annual LAE appropriation since FY2010, with a focus on total dedicated PI funding and all other LAE funding. CRS selected FY2010 as the starting point to match the time frame used in the next section on recent trends in selected metrics and workloads. (CRS was unable to obtain all necessary workload data for years prior to FY2010.)

Figure 8 shows the trend in the annual LAE appropriation since FY2010 by major funding component: (1) general LAE funding and (2) total dedicated PI funding. For purposes of this report, *general LAE funding* refers to base LAE funding *plus* total user fees—in other words, the part of the annual LAE appropriation that is not dedicated to PI activities. The share of the annual LAE appropriation for general LAE funding decreased from 93% to 85% between FY2010 and FY2017 before increasing to 88% in FY2020 and FY2021 (see **Table B-7** in **Appendix B**). Conversely, the share of the annual LAE appropriation for total dedicated PI funding increased from 7% to 15% between FY2010 and FY2017 before decreasing to 12% in FY2020 and FY2021. The share of the annual LAE appropriation for total dedicated PI funding increased due, in part, to the provision of adjustment PI funding authorized under federal law during this period.

Figure 8. Annual LAE Appropriation, by Major Funding Component, FY2010-FY2021

(in billions of nominal dollars)



Source: CRS analysis of applicable LHHS appropriations acts.

Notes: PI = program integrity. Amounts reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. *General LAE funding* refers to base LAE funding *plus* total user fees—in other words, the part of the annual LAE appropriation that is not dedicated to PI activities. *Total dedicated PI funding* refers to base PI funding *plus* adjustment PI funding. See **Table B-7** in **Appendix B** for the underlying data and methodology.

Figure 9 shows the trend in general LAE funding since FY2010 in nominal, price-indexed, and wage-indexed terms. The nominal line was relatively flat between FY2010 and FY2017 before increasing through FY2021. The price-indexed and wage-indexed lines declined during this period. Between FY2010 and FY2021, general LAE funding increased by 6% in nominal terms but decreased by 13% in price-indexed terms and 24% in wage-indexed terms (**Table 5**).

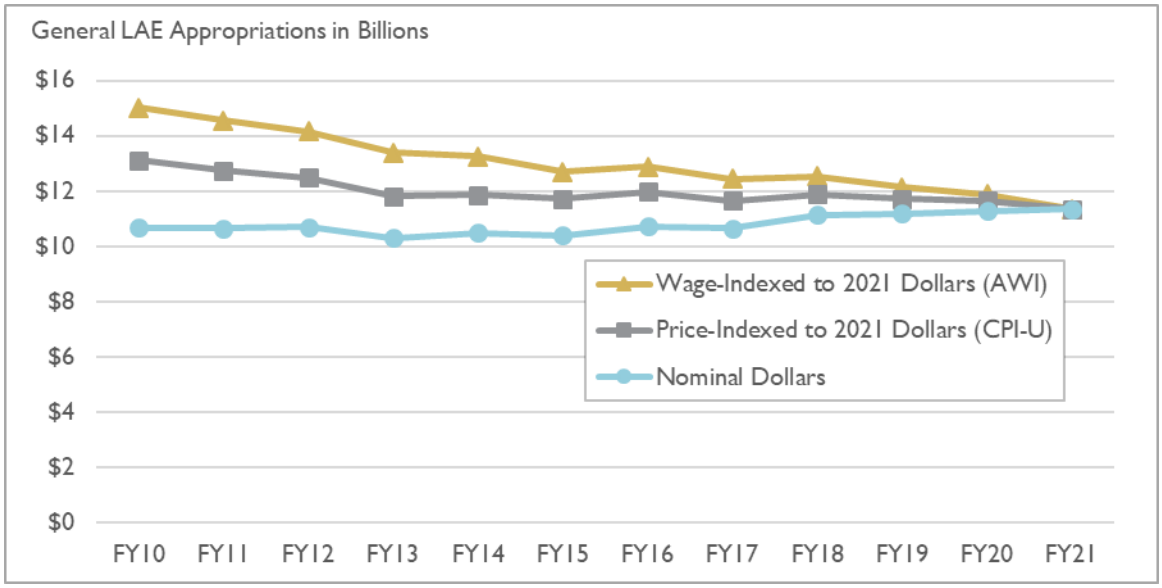
It is important to note that the magnitude and direction of the percentage change in FY2021 general LAE funding are sensitive to not only the indexing measure used but also to the choice of starting point—in this case, FY2010.[69] As such, the use of a different starting point could result in a noticeably different percentage change and thus a potentially different interpretation of the recent trend in general LAE funding. For example, if FY2013 is used as the starting point, then between FY2013 and FY2021, general LAE funding increased by 10% in nominal terms but decreased by 4% in price-indexed terms and 15% in wage-indexed terms (**Table 5**).[70] For single-year percentage change data on general LAE funding for FY2010-FY2021 and alternative indexing measures, see **Table B-8** in **Appendix B**.

[69] General LAE funding for FY2010 was $739.0 million more than for FY2009.

[70] General LAE funding for FY2013 was $394.3 million less than for FY2012.

Figure 9. General LAE Funding, in Nominal and Price/Wage Indexed 2021 Dollars FY2010-FY2021

(in Billions of Dollars)



Source: CRS analysis of applicable LHHS appropriations acts.

Notes: AWI = Average Wage Index. CPI-U = Consumer Price Index for All Urban Consumers. *General LAE funding* refers to base LAE funding *plus* total user fees—in other words, the part of the annual LAE appropriation that is not dedicated to PI activities. See the "Notes" section of **Figure 5** for the methodology. See **Table B-8** in **Appendix B** for the underlying data and alternative indexing measures.

Table 5. Percentage Change in the FY2021 Annual LAE Appropriation Relative to Earlier Selected Fiscal Years, in Nominal and Price/Wage Indexed 2021 Dollars, by Major Funding Component

Major Funding Component	Nominal Dollars	Price-Indexed to 2021 Dollars (CPI-U)	Wage-Indexed to 2021 Dollars (AWI)
Percentage Change in the FY2021 Appropriation Relative to FY2010			
General LAE	+6%	-13%	-24%
Total Dedicated PI	+108%	+69%	+48%
Total Annual LAE	**+13%**	**-8%**	**-20%**
Percentage Change in the FY2021 Appropriation Relative to FY2013			
General LAE	+10%	-4%	-15%
Total Dedicated PI	+112%	+85%	+63%
Total Annual LAE	**+17%**	**+2%**	**-10%**
Percentage Change in the FY2021 Appropriation Relative to FY2016			
General LAE	+6%	-5%	-12%
Total Dedicated PI	+10%	-1%	-8%
Total Annual LAE	**+6%**	**-5%**	**-11%**

Source: CRS analysis of applicable LHHS appropriations acts.

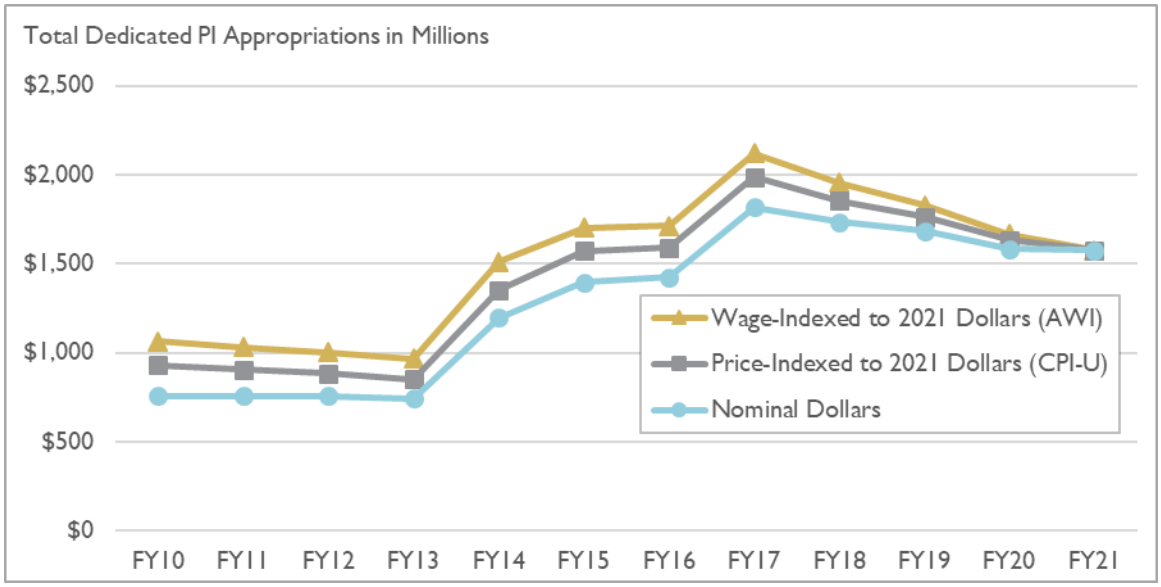
Notes: AWI = Average Wage Index. CPI-U = Consumer Price Index for All Urban Consumers. PI = program integrity. *General LAE funding* refers to base LAE funding *plus* total user fees—in other words, the part of the annual LAE appropriation that is not dedicated to PI activities. *Total dedicated PI funding* refers to base PI funding *plus* adjustment PI funding. See the "Notes" section of **Figure 5** for the methodology. See **Table B-4**, **Table B-8**, and **Table B-9** in **Appendix B** for the underlying data used to calculate the percentage changes, the overall methodology, and alternative indexing measures.

Figure 10 shows the trend in total dedicated PI funding since FY2010 in nominal, price-indexed, and wage-indexed terms. Across all three measures, total dedicated PI funding was relatively flat between FY2010 and FY2013 before increasing through FY2017 and then falling through FY2021. Between FY2010 and FY2021, total dedicated PI funding increased by 108% in nominal terms, 69% in price-indexed terms, and 48% in wage-indexed terms (**Table 5**).

As with general LAE funding, the choice of starting point for examining FY2021 total dedicated PI funding could result in a noticeably different percentage change. For example, if FY2016 is used as the starting point, then between FY2016 and FY2021, total dedicated PI funding increased by 10% in nominal terms but decreased by 1% in price-indexed terms and 8% in wage-indexed terms (**Table 5**). For single-year percentage change data on total dedicated PI funding for FY2010-FY2021 and alternative indexing measures, see **Table B-9** in **Appendix B**.

Figure 10. Total Dedicated Program Integrity (PI) Funding, in Nominal and Price/Wage Indexed 2021 Dollars, FY2010-FY2021

(in Millions of Dollars)



Source: CRS analysis of applicable LHHS appropriations acts.

Notes: AWI = Average Wage Index. CPI-U = Consumer Price Index for All Urban Consumers. *Total dedicated PI funding* refers to base PI funding *plus* adjustment PI funding. See the "Notes" section of **Figure 5** for the methodology. See **Table B-9** in **Appendix B** for the underlying data and alternative indexing measures.

The increase in total dedicated PI funding between FY2013 and FY2017 and decrease thereafter reflect the trend in the maximum permitted level of adjustment PI funding that was effectively exempt from the discretionary spending caps during this period (**Table 6**).[71] For FY2012,

[71] Adjustment PI funding provided during FY2012-FY2021 was also known as *cap adjustment PI funding*. As noted earlier, the *statutory* discretionary spending caps and accompanying adjustments for certain SSA PI activities expired at the end of FY2021. However, these adjustments were continued in the *procedural* budget enforcement associated with

FY2013, and FY2016, lawmakers did not provide the full amount of adjustment PI funding permitted under federal law.

Table 6. Comparison of Maximum Permitted and Appropriated Adjustment Program Integrity (PI) Funding Levels, FY2012-FY2021

(in Millions of Nominal Dollars)

Fiscal Year	Maximum Permitted Level of Adjustment PI Funding	Appropriated Level of Adjustment PI Funding	Difference
FY2012	$623.0	$482.6	$140.4
FY2013	$751.0	$470.6	$280.4
FY2014	$924.0	$924.0	$0.0
FY2015	$1,123.0	$1,123.0	$0.0
FY2016	$1,166.0	$1,153.0	$13.0
FY2017	$1,546.0	$1,546.0	$0.0
FY2018	$1,462.0	$1,462.0	$0.0
FY2019	$1,410.0	$1,410.0	$0.0
FY2020	$1,309.0	$1,309.0	$0.0
FY2021	$1,302.0	$1,302.0	$0.0

Source: CRS analysis of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA; P.L. 99-177, as amended), applicable annual LHHS appropriations acts, and applicable SSA operating plans.

Notes: Amounts for "Appropriated Level" reflect new budget authority provided for the fiscal year indicated and include reductions due to sequestration and applicable rescissions. "Maximum Permitted Level" refers to the maximum annual level of adjustment program integrity (PI) funding authorized under Section 251(b)(2)(B) of the BBEDCA (2 U.S.C. §901(b)(2)(B)) for certain SSA PI activities for FY2012-FY2021, also known as *cap adjustment PI funding*. For the adjustment PI funding to have been effectively exempt from the discretionary spending caps, at least $273 million in base PI funding was required to be provided first, which was subject to the discretionary spending caps. Any PI funding in excess of the maximum permitted level for adjustment PI funding was subject to the discretionary spending caps as well. The Budget Control Act of 2011 (P.L. 112-25) amended the BBEDCA to reestablish discretionary spending caps as part of the annual appropriations process and to authorize the maximum annual level of adjustment PI funding for FY2012-FY2021. Section 815 of the Bipartisan Budget Act of 2015 (P.L. 114-74) amended SSA's adjustment PI levels in the BBEDCA to permit higher maximum adjustments for FY2017-FY2019 and a lower maximum adjustment for FY2021. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77.

Trends in Selected Metrics and Workloads: FY2010-FY2021

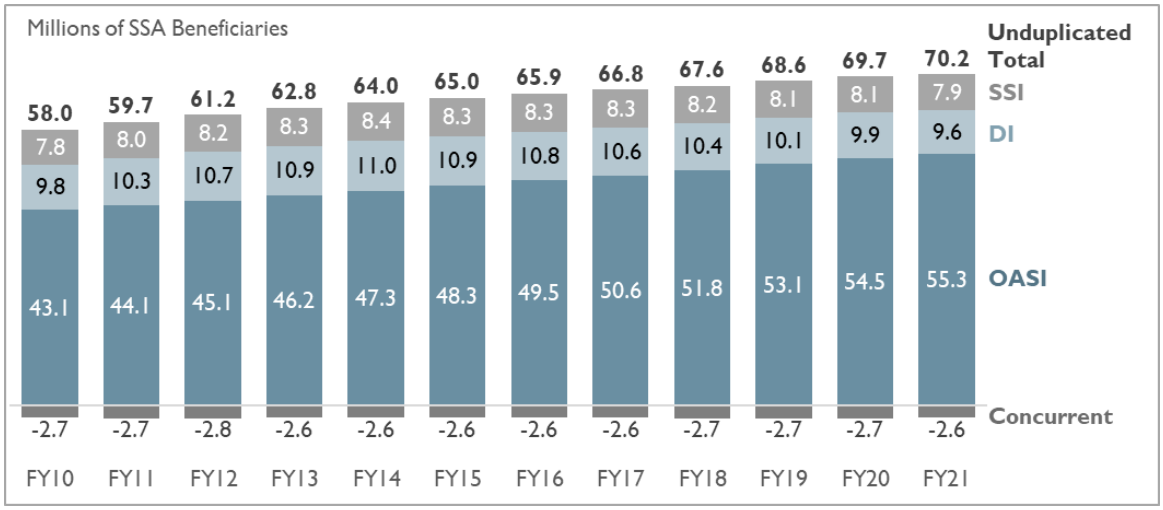
Figure 11 shows the trend in the average monthly number of SSA beneficiaries since FY2010 by type: (1) Social Security OASI beneficiaries; (2) Social Security DI beneficiaries; and (3) all SSI recipients (aged, blind, or disabled). Individuals who qualify for both Social Security and SSI are known as *concurrent beneficiaries*. The figure provides an unduplicated total, which is equal to

the FY2022 budget resolution and the FY2022 LHHS appropriations act. Adjustment PI funding provided during FY2022 is also known as *allocation adjustment PI funding*. See S.Con.Res. 14, §§4004(b)(1) and 4005(a), pp. 445-446 of the Consolidated Appropriations Act, 2022 (P.L. 117-103; Division H), and Appendix A in CRS Report R47029, *Labor, Health and Human Services, and Education: FY2022 Appropriations*.

the sum of the three beneficiary categories less concurrent beneficiaries. For example, using unrounded data, SSA's programs combined paid benefits to an average of 72.8 million beneficiaries each month in FY2021: 55.3 million OASI beneficiaries, 9.6 million DI beneficiaries, and 7.9 million SSI recipients. However, after subtracting out the 2.6 million individuals who qualified for both Social Security and SSI and thus were counted twice, the average monthly number of unique beneficiaries in FY2021 was 70.2 million.

Figure 11. Average Monthly Number of SSA Beneficiaries, by Type, FY2010-FY2021

(in Millions)



Source: CRS, based on a variety of data sources on SSA's website.

Notes: OASI = Old-Age and Survivors Insurance. DI = Disability Insurance. SSI = Supplemental Security Income. Components may not sum to totals due to rounding. "Unduplicated Total" is equal to the sum of the unrounded average monthly number of Social Security OASI beneficiaries, Social Security DI beneficiaries, and SSI recipients during the fiscal year less the unrounded average monthly number of concurrent beneficiaries during the fiscal year. Concurrent beneficiaries qualify for both SSI and Social Security (either OASI or DI). "SSI" includes those who are eligible for a *federally administered* SSP but are ineligible for a federal SSI payment; it excludes those who are eligible for only a *state-administered* SSP.

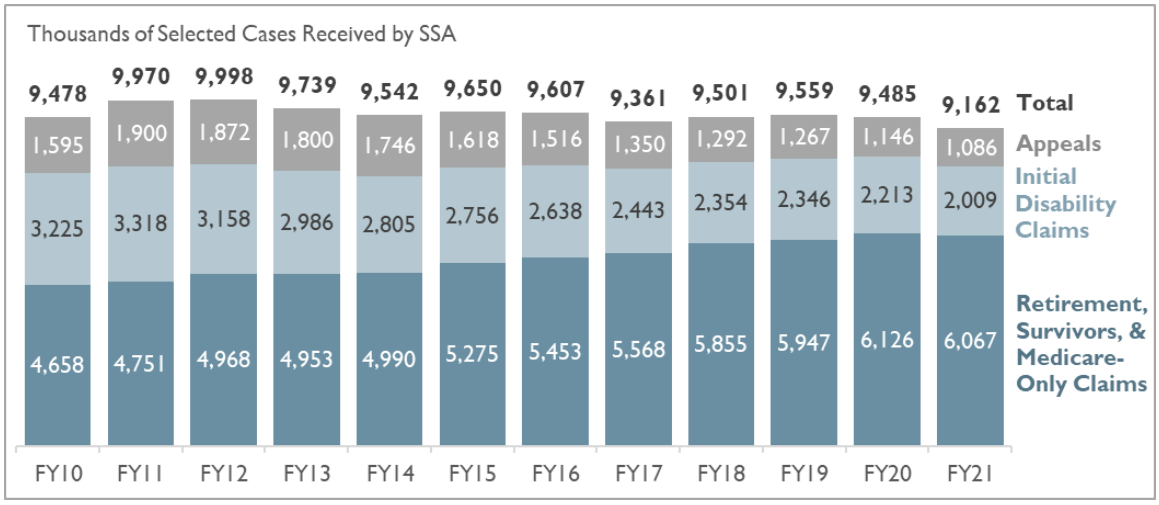
Between FY2010 and FY2021, the average monthly number of total SSA beneficiaries (unduplicated) increased by 21%. Virtually all of this growth was attributable to OASI beneficiaries, primarily retired workers. During this period, the average monthly number of OASI beneficiaries increased by 28%, while the average monthly number of DI beneficiaries decreased by 3% and the average monthly number of SSI recipients increased by 1%. The growth in the overall number of beneficiaries during this period likely increased the overall level of post-entitlement workloads, which include recomputing benefit amounts, sending notices, and completing address or status changes. However, between FY2014 and FY2021, the average monthly number of DI beneficiaries and SSI recipients declined by 13% and 6%, respectively. The decline in the disability rolls during this period may have reduced the need for SSA to conduct certain PI activities, such as CDRs and SSI nonmedical redeterminations (discussed later).

Figure 12 shows the trend in the number of selected cases received by SSA (i.e., *receipts*) since FY2010 by type: (1) Retirement, Survivors, and Medicare-only claims; (2) initial disability claims; (3) and appeals. *Retirement, Survivors, and Medicare-only claims* include initial OASI claims for retirement benefits and non-disabled dependent or survivor benefits, as well as initial benefit claims in which the applicant files for Medicare but not for Social Security. *Initial disability claims* include initial claims for Social Security disability benefits or SSI blindness or

disability payments that are forwarded to a state DDS agency for a medical determination. Initial disability claims exclude claims that are ultimately denied by a field office for technical (i.e., non-disability) reasons.[72] *Appeals* include reconsiderations, hearings, Appeals Council reviews, and federal court reviews.[73] The figure excludes certain types of cases, such as initial SSI aged claims.[74]

Figure 12. Selected Cases Received by SSA (Receipts), by Type, FY2010-FY2021

(in Thousands)



Source: CRS, based on a variety of data sources on SSA's website.

Notes: Components may not sum to totals due to rounding. "Appeals" refers to reconsiderations, hearings, Appeals Council reviews, and federal court reviews. "Initial Disability Claims" refers to initial disability claims that are forwarded to a state Disability Determination Services office or other agency component for a medical determination. Initial disability claims data include both Social Security disability claims and SSI blindness or disability claims. Concurrent initial disability claims for Social Security and SSI are counted only once. Initial disability claims exclude claims that are ultimately denied by a field office for technical (i.e., non-disability) reasons. "Retirement, Survivors, & Medicare-Only Claims" refers to initial OASI claims for retirement benefits and non-disabled dependent or survivor benefits, as well as Medicare-only initial benefit claims. The figure excludes certain types of cases, such as SSI aged claims.

Between FY2010 and FY2021, the total number of receipts declined by 3%. However, the number of receipts for Retirement, Survivors, and Medicare-Only claims increased by 30% during this period, while the number of receipts for initial disability claims and appeals decreased by 38% and 32%, respectively. The decline in the number of receipts for initial disability claims and appeals during this period stems, in part, from a larger trend of reduced participation in SSA's disability programs following the Great Recession (December 2007 to June 2009). However, the pandemic and accompanying closure of field offices may have accelerated this larger trend with respect to initial disability claims.[75] The number of receipts for initial disability

[72] For *Social Security disability claims*, technical denials include having an insufficient work history in jobs covered by Social Security or no longer meeting the relevant age or familial-connection requirements. For *SSI blindness or disability claims*, technical denials include having excess income or resources, as well as not meeting the relevant citizenship or immigration requirements.

[73] For more information on SSA's appeals process, see SSA, *Your Right to Question the Decision Made on Your Claim*, October 2020, https://www.ssa.gov/pubs/EN-05-10058.pdf.

[74] For FY2020 data on receipts for initial SSI aged claims, see SSA, *Annual Statistical Supplement, 2021*, Table 2.F6.

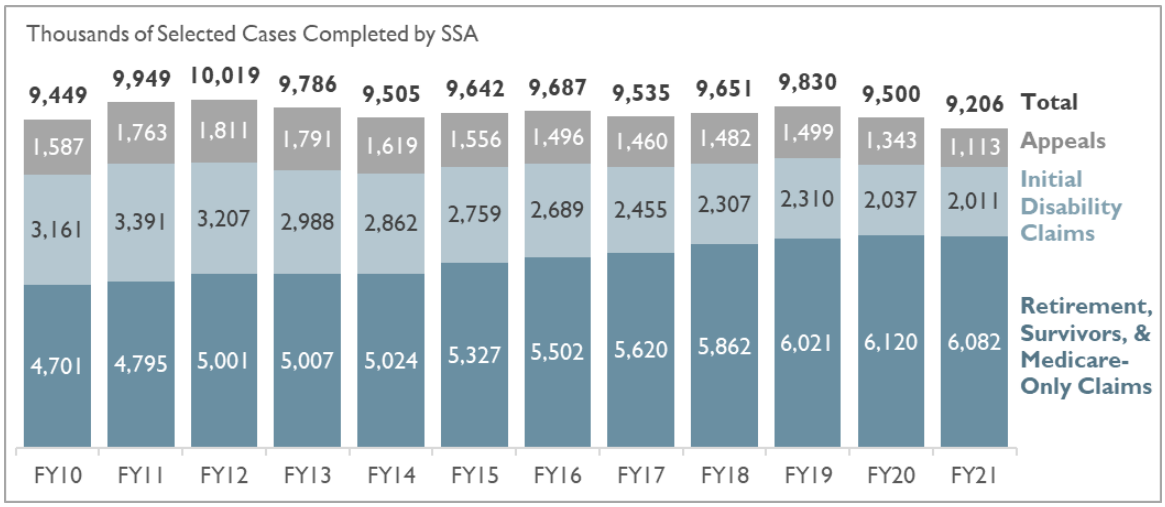
[75] SSA, OIG, *Comparing the SSA DDS' Workload Statistics During the COVID-19 Pandemic to Prior Years*,

claims declined by 6% between FY2019 and FY2020 and by 9% between FY2020 and FY2021. The decline in the number of appeals receipts was driven largely by hearings receipts. Between FY2010 and FY2021, the number of hearings receipts decreased by 47%, from 720,000 to 383,000 (not shown).

Figure 13 shows the trend in the number of selected cases completed by SSA since FY2010 by type.[76] As with receipts, cases completed decreased by 3% between FY2010 and FY2021. However, the number of Retirement, Survivors, and Medicare-Only claims completed increased by 29% during this period, while the number of initial disability claims and appeals completed decreased by 36% and 30%, respectively. The decline in initial disability claims completed during the COVID-19 pandemic was more pronounced during the first year than the second year (a 12% decline between FY2019 and FY2020 versus a 1% decline between FY2020 and FY2021). Between FY2010 and FY2021, the number of reconsiderations completed declined by 30%, from 735,000 to 516,000, and the number of hearings completed declined by 39%, from 738,000 to 451,000 (not shown).

Figure 13. Selected Cases Completed by SSA, by Type, FY2010-FY2021

(in Thousands)



Source: CRS, based on a variety of data sources on SSA's website.

Notes: Components may not sum to totals due to rounding. See the "Notes" section of **Figure 12** for more information on the terms used in this figure.

Figure 14 shows the trend in the number of selected cases or actions pending (i.e., awaiting completion) before SSA since FY2010 by type.[77] *Processing center actions* include certain benefit claims, payment, and post-entitlement actions pending before a program service center or other agency component (e.g., complex Social Security claims, Medicare enrollments, benefit adjustments, record updates, PI activities).[78] Between FY2010 and FY2021, the total number of cases or actions pending increased by 31%. Much of this growth was attributable to processing

December 01, 2021, https://oig.ssa.gov/assets/uploads/a-01-21-51038.pdf.

[76] The figure excludes certain types of cases, such as initial SSI aged claims. For FY2020 data on cases completed for initial SSI aged claims, see SSA, *Annual Statistical Supplement, 2021*, Table 2.F6.

[77] The figure excludes certain types of cases or actions pending, such as initial SSI aged claims.

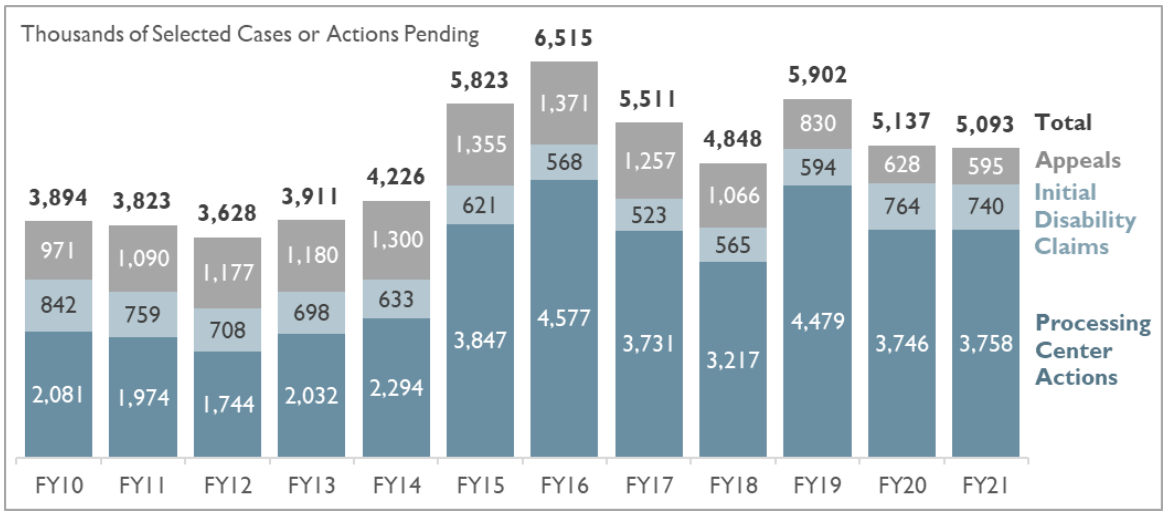
[78] For more information on processing center workloads, see SSA, OIG, *Increases in Program Service Center Workloads*, April 24, 2018, https://oig-files.ssa.gov/audits/full/A-05-17-50254.pdf.

center actions pending, which grew by 81% during this period due, in part, to the outcome of the court case *Steigerwald v. Berryhill*.[79]

Initial disability claims and appeals pending decreased by 12% and 39%, respectively, between FY2010 and FY2021, although, initial disability claims pending have been trending upward since FY2017 (see **Figure A-1** in **Appendix A**). The decline in appeals pending during this period was driven largely by hearings pending. Between FY2010 and FY2021, the number of hearings pending decreased by 50%, from 705,000 to 350,000 (see **Figure A-2** in **Appendix A**).[80]

Figure 14. Selected Cases or Actions Pending Before SSA, by Type, FY2010-FY2021

(in Thousands)



Source: CRS, based on a variety of data sources on SSA's website.

Notes: Components may not sum to totals due to rounding. "Processing Center Actions" refers to certain benefit claims, payment, and post-entitlement actions pending before a program service center or other agency component (e.g., complex Social Security claims, Medicare enrollments, benefit adjustments, record updates, PI activities). See the "Notes" section of **Figure 12** for more information on the other terms used in this figure.

Figure 15 shows the trend in the number of selected PI activities completed since FY2010 by type: (1) SSI nonmedical redeterminations, (2) work CDRs, (3) mailer CDRs, and (4) full medical CDRs.[81] *SSI nonmedical redeterminations* are periodic reviews of nonmedical factors (i.e., income, resources, and living arrangements) to verify that SSI recipients are still financially eligible for the program and receiving the correct payment amounts. *Work CDRs* are reviews to determine if Social Security disability beneficiaries are earning too much (i.e., earning above the substantial gainful activity amount) and if entitlement to benefits should continue.[82] *Mailer CDRs*

[79] According to SSA, "[i]n the *Steigerwald v. Berryhill* class action suit, a Federal court ruled that we did not properly account for representatives' fees when calculating past-due benefit payments to individuals who were awarded both OASDI and SSI." See SSA, *FY2022 Congressional Budget Justification*, "Budget Overview," p. 20.

[80] For more information on SSA's pending workloads, see letter from Kilolo Kijakazi, acting commissioner, SSA, to the Honorable Patrick Leahy, chair, Committee on Appropriations, U.S. Senate, April 28, 2022, https://www.ssa.gov/budget/FY22Files/2022OP.pdf.

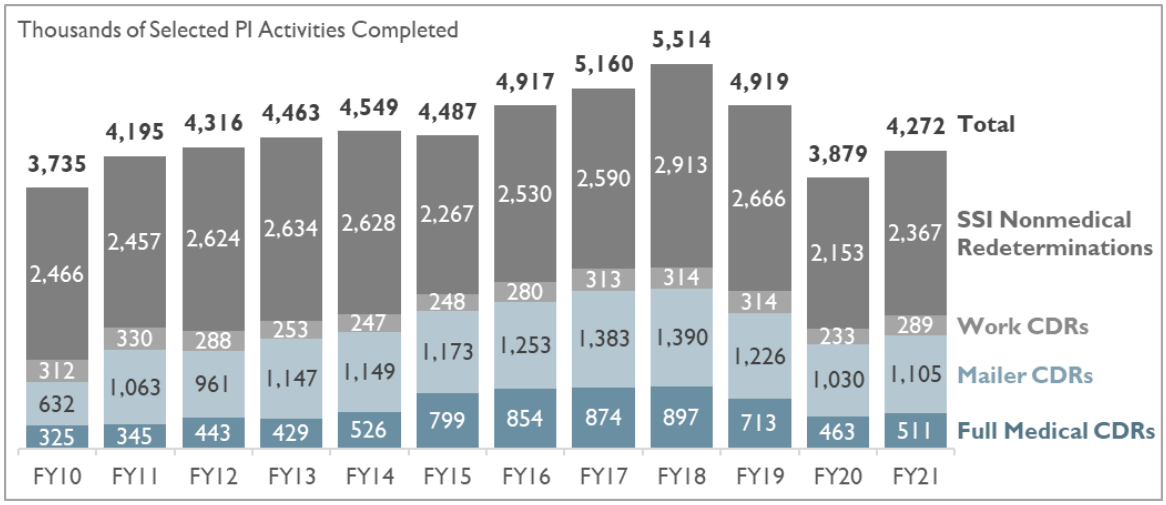
[81] For more information on CDRs and SSI nonmedical redeterminations, see SSA, *Fiscal Year 2021 Bipartisan Budget Act of 2015 Section 845(a) Report*, pp. 6-9, https://www.ssa.gov/budget/FY23Files/2023AFR.pdf. See also CRS Report R44948, *Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI): Eligibility, Benefits, and Financing*.

[82] For more information on substantial gainful activity, see SSA, Office of the Chief Actuary, "Substantial Gainful

are periodic questionnaires sent to Social Security disability beneficiaries and SSI blindness or disability recipients to gather information about medical improvement, which SSA uses to determine if a full medical CDR is warranted. *Full medical CDRs* are periodic reviews of Social Security disability beneficiaries and SSI blindness or disability recipients to determine if they continue to meet the statutory definition of *blindness* or *disability*.

Figure 15. Selected Program Integrity (PI) Activities Completed, by Type, FY2010-FY2021

(in Thousands)



Source: CRS, based on a variety of data sources on SSA's website.

Notes: CDR = continuing disability review. Components may not sum to totals due to rounding. "SSI Nonmedical Redeterminations" are periodic reviews of nonmedical factors (i.e., income, resources, and living arrangements) to verify that SSI recipients are still financially eligible for the program and receiving the correct payment amounts. "Work CDRs" are reviews to determine if Social Security disability beneficiaries are earning too much (i.e., earning above the substantial gainful activity amount) and if entitlement to benefits should continue. "Mailer CDRs" are periodic questionnaires sent to Social Security disability beneficiaries and SSI blindness or disability recipients to gather information about medical improvement, which SSA uses to determine if a full medical CDR is warranted. "Full Medical CDRs" are periodic reviews of Social Security disability beneficiaries and SSI blindness or disability recipients to determine if they continue to meet the statutory definition of *blindness* or *disability*.

The total number of selected PI activities completed increased by 48% between FY2010 and FY2018 and then declined by 23% between FY2018 and FY2021. The decline in the total number of selected PI activities completed in recent years may stem, in part, from declining disability rolls and lower levels of adjustment PI funding. In addition, the decrease between FY2018 and FY2019 was likely influenced by the elimination of the full medical CDR backlog at that time (discussed below). Further, the decrease in FY2020 was due, in part, to the fact that SSA suspended processing full medical CDRs and SSI nonmedical redeterminations that could result in a cessation of benefits from mid-March 2020 through the end of August 2020 as a result of the COVID-19 pandemic.[83]

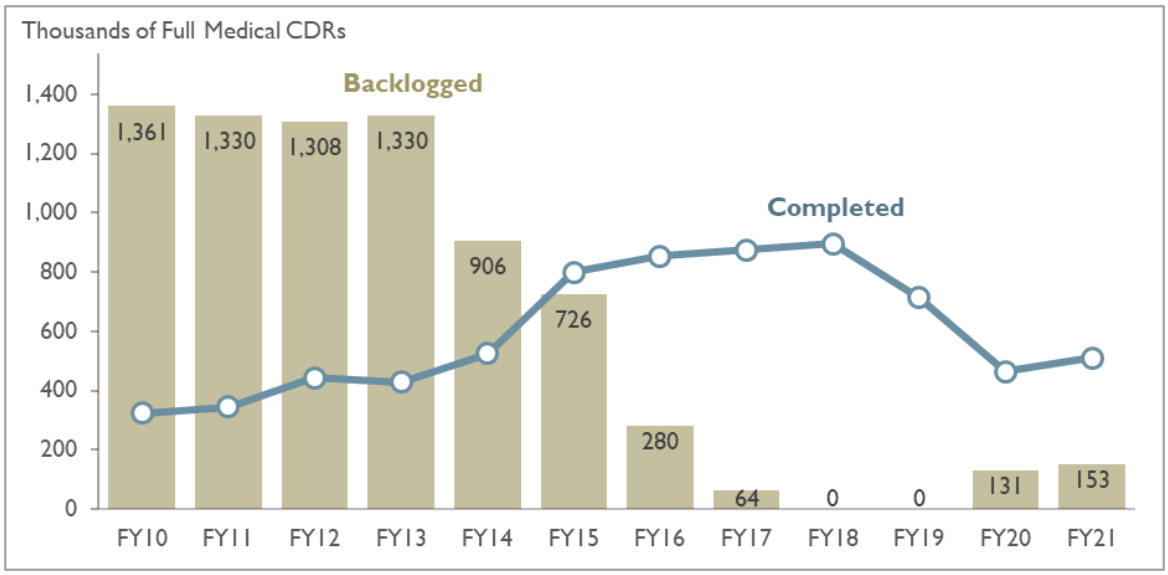
Activity," https://www.ssa.gov/oact/cola/sga.html. See also CRS Report R44948, *Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI): Eligibility, Benefits, and Financing*.

[83] SSA, *FY2022 Congressional Budget Justification*, "Office of the Inspector General," p. 210. SSA also suspended ordering in-person consultative examinations from the onset of the pandemic through May 2020. See letter from Andrew Saul, commissioner, SSA, to the Honorable Richard Neal, chair, Committee on Ways and Means, U.S. House

Figure 16 shows the trend in completed and backlogged full medical CDRs since FY2010. The provision of sustained, dedicated PI funding during the past decade allowed SSA to complete enough full medical CDRs to reduce its backlog from 1.3 million in FY2012 to zero in FY2018. However, due to the agency's temporary suspension of certain PI activities during part of 2020, as well as the overall impact of the COVID-19 pandemic on its operations, SSA was unable to complete all scheduled full medical CDRs in FY2020, which resulted in a new backlog.[84]

Figure 16. Full Medical Continuing Disability Reviews (CDRs), by Status, FY2010-FY2021

(in Thousands)



Source: CRS, based on a variety of data sources on SSA's website.

Notes: For full medical CDR data, see **Figure 15**.

Figure 17 shows the trend in annual earnings items and SSN applications completed since FY2010. *Annual earnings items* are reports of wages or self-employment income that SSA receives as part of the joint SSA–Internal Revenue Service combined annual wage reporting program.[85] SSA uses annual earnings items to determine entitlement to Social Security and to compute Social Security benefit amounts. Annual earnings items are considered completed when they are successfully posted to workers' records. The number of annual earnings items completed rose steadily between FY2010 and FY2020 before decreasing noticeably in FY2021.

SSNs allow SSA to link workers' annual earnings items to their Social Security records, as well as to administer claims and payments under the Social Security Act.[86] The number of SSN

of Representatives, November 25, 2020, https://www.ssa.gov/legislation/FY%202020%20CDR%20Waiver%20Letter.pdf.

[84] Ibid. See also letter from Kilolo Kijakazi, acting commissioner, SSA, to the Honorable Richard Neal, chair, Committee on Ways and Means, U.S. House of Representatives, January 14, 2022, https://www.ssa.gov/legislation/FY21%20CDR%20Waiver%20Letter.pdf.

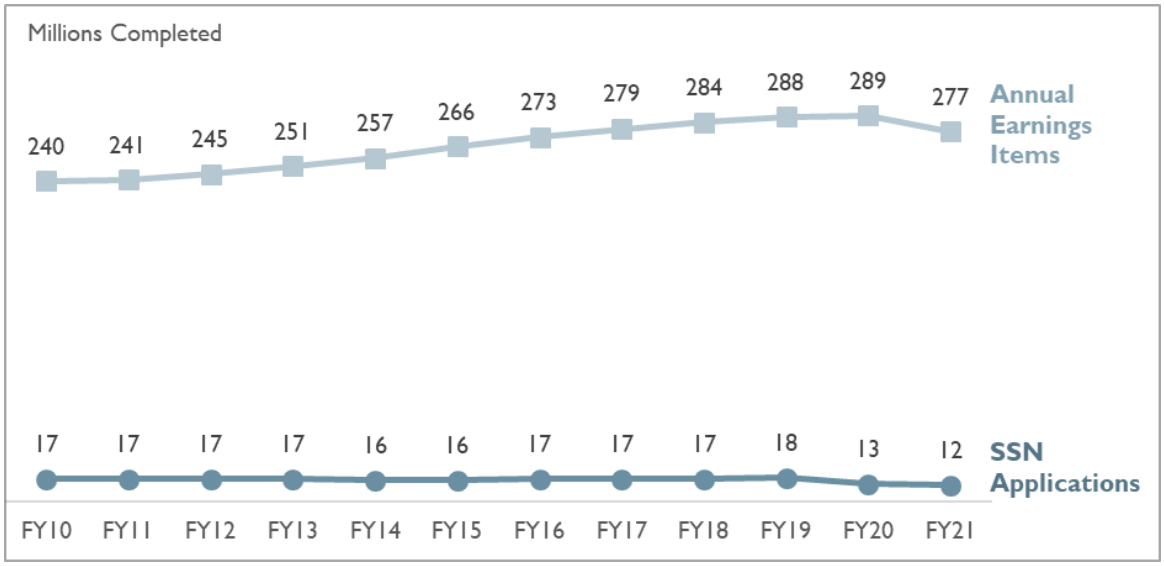
[85] SSA, Program Operations Manual System (POMS), "RM 01101.003 The Internal Revenue Service and the Social Security Administration's Combined Annual Wage Reporting (CAWR) Program," December 20, 2016, https://secure.ssa.gov/poms.nsf/lnx/0101101003.

[86] SSA, POMS, "RM 10201.005 Program Use of the Social Security Number (SSN)," April 16, 2013,

applications completed was relatively flat between FY2010 and FY2019 and then decreased markedly in FY2020 before seeing a smaller decrease in FY2021. The recent decline in the number of SSN applications completed likely stemmed, in part, from SSA's closure of field offices during the first two years of the COVID-19 pandemic.[87]

Figure 17. Annual Earnings Items and SSN Applications Completed, FY2010-FY2021

(in millions)



Source: CRS, based on SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2012*, and subsequent editions.

Notes: SSN = Social Security number.

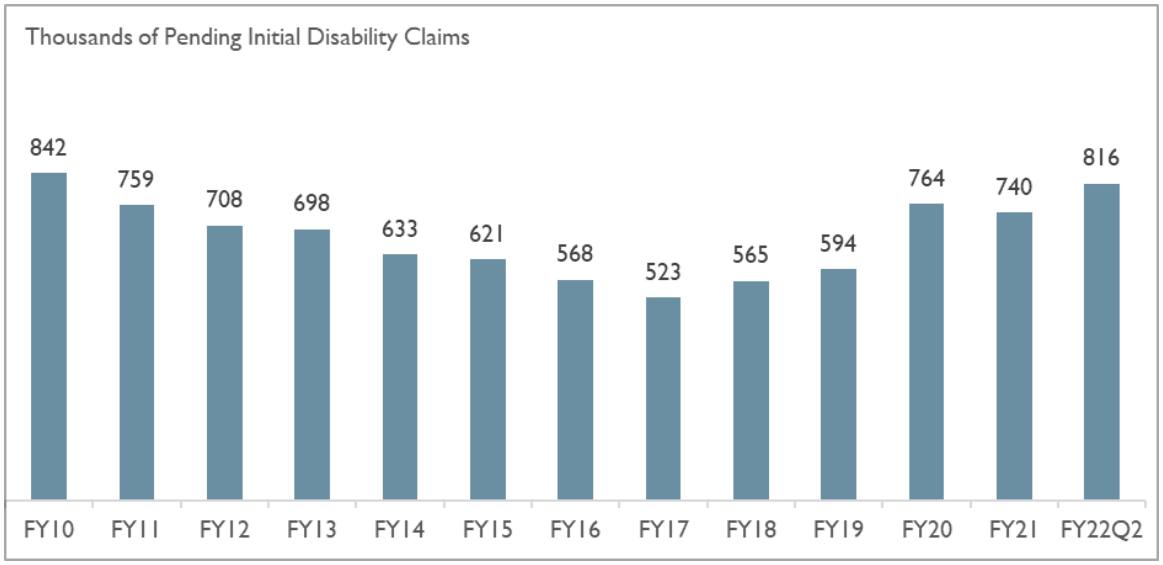
https://secure.ssa.gov/apps10/poms.nsf/lnx/0110201005.

[87] SSA, OIG, *The Social Security Administration's Processing of Mail and Enumeration Services During the COVID-19 Pandemic*, July 29, 2021, https://oig-files.ssa.gov/audits/full/A-08-21-51036InterimReport.pdf.

Appendix A. Supplemental Workload Figures

Figure A-1. Initial Disability Claims Pending, FY2010-FY2022 2nd Quarter (Q2)

(in Thousands)

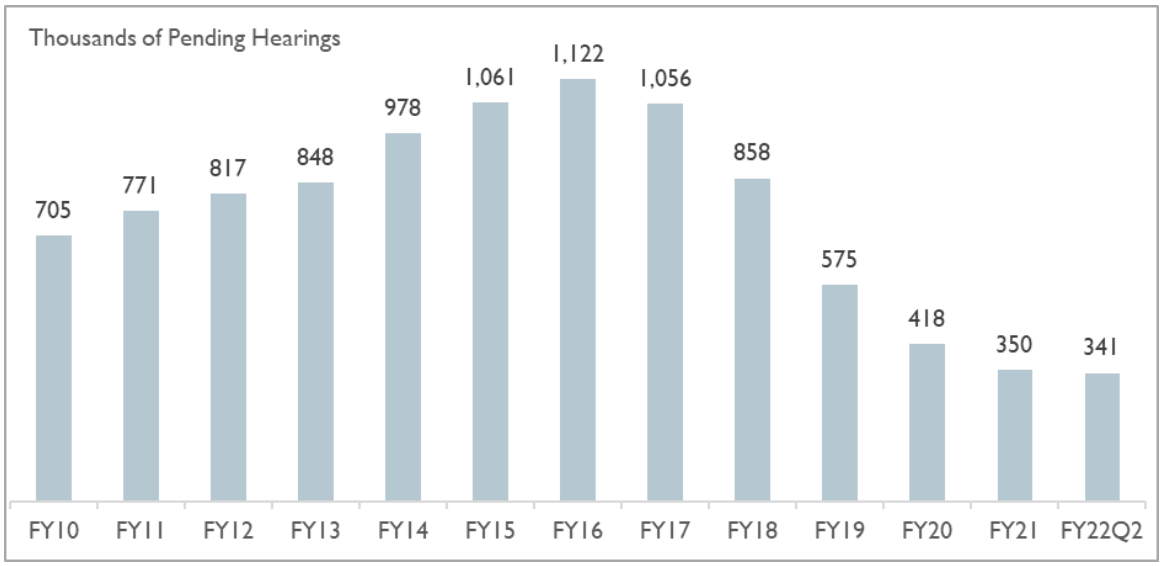


Source: CRS, based on published and unpublished data from SSA.

Notes: "Pending Initial Disability Claims" refers to all initial disability claims pending (i.e., awaiting completion) before a state DDS office or other agency component. Data include both Social Security disability claims and SSI blindness or disability claims. Concurrent initial disability claims for Social Security and SSI are counted only once. Data reflect only claims that are forwarded to a state DDS office or other agency component for a medical determination; they exclude claims that are ultimately denied by a field office for technical (i.e., non-disability) reasons. Data for the second quarter of FY2022 reflect the number pending at the end of March 2022.

Figure A-2. Hearings Pending, FY2010-FY2022 2nd Quarter (Q2)

(in Thousands)

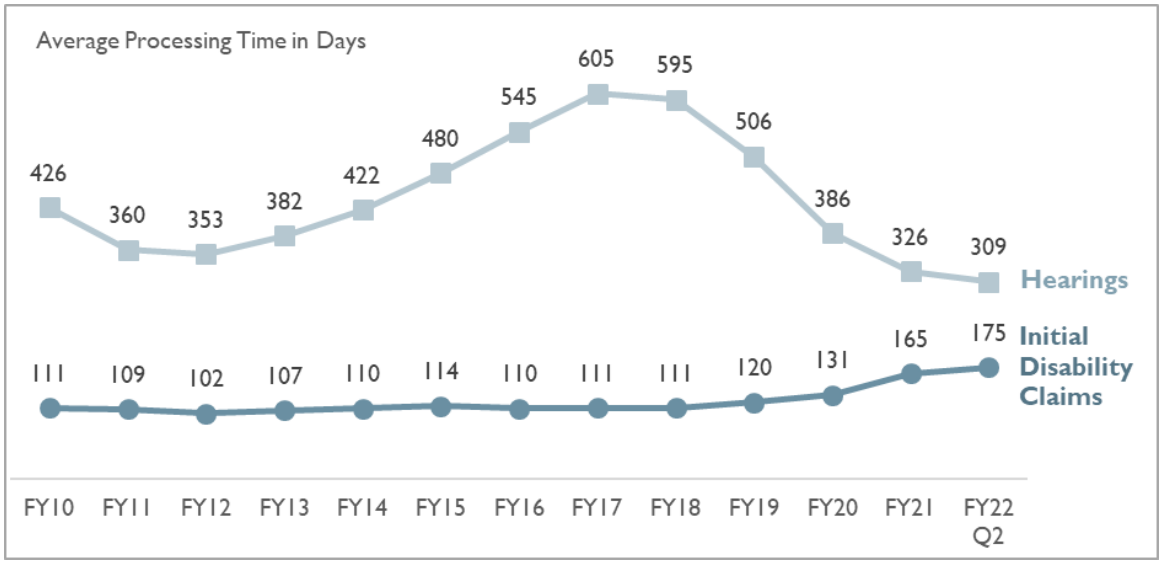


Source: CRS, based on a variety of data sources on SSA's website.

Notes: "Pending Hearings" refers to the number of all hearings pending a final decision at the end of the designated period. Virtually all hearings (about 99%) concern blindness or disability claims under Social Security and SSI. Data for the second quarter of FY2022 reflect the number pending at the end of March 2022.

Figure A-3. Average Processing Time for Initial Disability Claims and Hearings, FY2010-FY2022 2nd Quarter (Q2)

(in Days)



Source: CRS, based on a variety of data sources on SSA's website.

Notes: Average progressing time reflects the average for the fiscal year (or partial fiscal year) indicated. Data for the second quarter of FY2022 reflect the average processing time through the end of March 2022. See the "Notes" sections of **Figure A-1** and **Figure A-2** for information on "Initial Disability Claims" and "Hearings," respectively.

Appendix B. Data Underlying LAE Figures

See "Trends in the Annual LAE Appropriation" for the basic methodology used in this section.

Table B-1. Requested and Enacted Annual LAE Appropriation, FY1997-FY2021

(in thousands of nominal dollars)

Fiscal Year	Commissioner's Request (Adjusted)	President's Request (Adjusted)	Enacted Appropriation
FY1997	$6,239,410	$6,582,468	$6,406,577
FY1998	$6,754,000	$6,521,040	$6,409,040
FY1999	$6,705,000	$6,448,000	$6,418,019
FY2000	$6,908,000	$6,706,000	$6,572,036
FY2001	$7,356,000	$7,134,000	$7,124,000
FY2002	$8,015,000	$7,574,000	$7,562,085
FY2003	$7,974,000	$7,937,000	$7,885,138
FY2004	$8,895,000	$8,530,000	$8,313,173
FY2005	$9,310,000	$8,878,000	$8,732,502
FY2006	$9,767,000	$9,403,000	$9,108,606
FY2007	$10,230,000	$9,496,000	$9,297,573
FY2008	$10,420,000	$9,596,953	$9,744,577
FY2009	$10,395,000	$10,327,000	$10,453,500
FY2010	$11,800,000	$11,451,000	$11,446,500
FY2011	$13,100,000	$12,378,863	$11,423,607
FY2012	$12,938,000	$12,522,000	$11,453,290
FY2013	$12,470,000	$11,494,000	$11,045,566
FY2014	$12,199,000	$11,069,846	$11,697,040
FY2015	$10,787,000	$12,024,000	$11,805,945
FY2016	$12,516,000	$12,513,000	$12,161,945
FY2017	$13,460,000	$13,067,000	$12,481,945
FY2018	N/A	$12,457,000	$12,872,945
FY2019	$12,788,000	$12,393,000	$12,876,945
FY2020	$13,270,000	$12,773,000	$12,870,945
FY2021	$13,804,000	$13,351,473	$12,930,945

Source: CRS, based on the following sources: unpublished data provided by SSA to CRS on June 14, 2021; OMB, *Budget of the United States Government, Fiscal Year 1997—Appendix*, and subsequent editions; and SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2004*, and subsequent editions.

Notes: N/A = Not Available. LAE = Limitation on Administrative Expenses. Amounts for the enacted appropriation reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. SSA's unpublished data and the FY2018 President's budget do not include information on the FY2018 Commissioner's request. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even

though it was provided by a supplemental discretionary appropriation under P.L. 112-77. For more information on how the "Adjusted" levels are calculated, see **Table B-2** and **Table B-3**.

Table B-2. Commissioner's Request for the LAE Account, FY1997-FY2021

(in Thousands of Nominal Dollars)

Fiscal Year	Unadjusted LAE	Research and Demonstrations	Mandatory/Other	Adjusted LAE
FY1997	$6,239,410			$6,239,410
FY1998	$6,754,000			$6,754,000
FY1999	$6,734,000	$29,000		$6,705,000
FY2000	$6,931,000	$23,000		$6,908,000
FY2001	$7,390,000	$34,000		$7,356,000
FY2002	$8,015,000			$8,015,000
FY2003	$7,997,000	$23,000		$7,974,000
FY2004	$8,920,000	$25,000		$8,895,000
FY2005	$9,341,000	$31,000		$9,310,000
FY2006	$10,143,000	$37,000	$339,000	$9,767,000
FY2007	$10,250,000	$20,000		$10,230,000
FY2008	$10,440,000	$20,000		$10,420,000
FY2009	$10,427,000	$32,000		$10,395,000
FY2010	$11,842,000	$42,000		$11,800,000
FY2011	$13,143,000	$43,000		$13,100,000
FY2012	$12,983,000	$45,000		$12,938,000
FY2013	$12,513,000	$43,000		$12,470,000
FY2014	$12,228,000	$29,000		$12,199,000
FY2015	$12,537,000		$1,750,000	$10,787,000
FY2016	$12,516,000			$12,516,000
FY2017	$13,610,000		$150,000	$13,460,000
FY2018	N/A			N/A
FY2019	$12,788,000			$12,788,000
FY2020	$13,270,000			$13,270,000
FY2021	$13,804,000			$13,804,000

Source: CRS, based on unpublished data provided by SSA to CRS on June 14, 2021; OMB, *Budget of the United States Government, Fiscal Year 1997—Appendix*, and subsequent editions; and U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Challenges Facing the New Commissioner of Social Security*, 106th Cong., 2nd sess., March 12, 1998, H.Hrg. 105-95 (Washington, DC: GPO, 1999), p. 52, https://www.govinfo.gov/content/pkg/CHRG-105hhrg61025/pdf/CHRG-105hhrg61025.pdf#page=55.

Notes: N/A = Not Available. Components may not sum to totals due to rounding. SSA's unpublished data and the FY2018 President's budget do not include information on the FY2018 Commissioner's request. "Adjusted LAE" is equal to "Unadjusted LAE" less "Research and Demonstrations" and "Mandatory/Other." According to SSA's unpublished data, the Commissioner's request for the LAE account included amounts for research and demonstrations for FY2000-FY2001 and FY2003-FY2014. SSA's unpublished data do not indicate whether the Commissioner's request for FY1998-FY1999 and FY2002 included amounts for research and demonstrations

under the annual SSI appropriation. However, H.Hrg. 105-95 shows that $29 million for research and demonstrations was included in the Commissioner's request for FY1999. For FY2006, the Commissioner's request included $339 million in start-up funding for the implementation of Medicare Part D. Because this funding was authorized in 2003 under P.L. 108-173 and thus represented carryover funding, CRS excluded it from the LAE total. For FY2015, the Commissioner's request included $1.75 billion in mandatory funding for certain PI activities. Because the LAE account is chiefly a discretionary appropriations account, CRS excluded the proposed mandatory PI funding from the LAE total. For FY2017, the Commissioner's request included $150 million in no-year funding for renovations to SSA's Altmeyer Building. Because lawmakers provided funding for the Altmeyer Building several months after SSA submitted its request to OMB but before the release of the FY2017 President's budget, CRS excluded the funding to conform to the levels in the President's budget.

Table B-3. President's Request for the LAE Account, FY1997-FY2021

(in Thousands of Nominal Dollars)

Fiscal Year	Unadjusted LAE	Mandatory/Other	Adjusted LAE
FY1997	$6,582,468		$6,582,468
FY1998	$6,521,040		$6,521,040
FY1999	$6,448,000		$6,448,000
FY2000	$6,706,000		$6,706,000
FY2001	$7,134,000		$7,134,000
FY2002	$7,574,000		$7,574,000
FY2003	$7,937,000		$7,937,000
FY2004	$8,530,000		$8,530,000
FY2005	$8,878,000		$8,878,000
FY2006	$9,403,000		$9,403,000
FY2007	$9,496,000		$9,496,000
FY2008	$9,596,953		$9,596,953
FY2009	$10,327,000		$10,327,000
FY2010	$11,451,000		$11,451,000
FY2011	$12,378,863		$12,378,863
FY2012	$12,522,000		$12,522,000
FY2013	$11,760,000	$266,000	$11,494,000
FY2014	$12,296,846	$1,227,000	$11,069,846
FY2015	$12,024,000		$12,024,000
FY2016	$12,513,000		$12,513,000
FY2017	$13,067,000		$13,067,000
FY2018	$12,457,000		$12,457,000
FY2019	$12,393,000		$12,393,000
FY2020	$12,773,000		$12,773,000
FY2021	$13,351,473		$13,351,473

Source: CRS, based on SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 1999*, and subsequent editions.

Notes: Components may not sum to totals due to rounding. "Adjusted LAE" is equal to "Unadjusted LAE" less "Mandatory/Other." The FY2013 President's request included $266 million in mandatory funding for certain SSA

PI activities. Because the LAE account is chiefly a discretionary appropriations account, CRS excluded such funding from the LAE total for FY2013. The FY2014 President's request included a legislative proposal to provide $1.227 billion in mandatory funding for certain SSA PI activities in FY2014, which would have been provided to a new limitation account rather than to the LAE account. The FY2014 President's budget did not include the proposed mandatory PI funding under the LAE account description; however, some of SSA's budget materials for FY2014 included the proposed mandatory PI funding under the LAE account description. To avoid confusion and to provide context on the total amount of LAE and other PI funding proposed in the FY2014 President's budget, this table shows the annual LAE request and the mandatory PI request on a combined basis in the "Unadjusted LAE" column. Although the FY2015 President's request included a legislative proposal to establish mandatory funding for certain SSA PI activities, which would have been provided to a new limitation account rather than to the LAE account, the FY2015 President's request included *discretionary* dedicated total PI funding for the LAE account for FY2015. As such, CRS made no adjustment to the LAE total for FY2015.

Table B-4. Annual LAE Appropriation, in Nominal and Indexed 2021 Dollars, by Selected Index, FY1997-FY2021

Fiscal Year	Nominal	GDP Price Index	CPI-U	ECI	AWI
		Dollar Amount (in Thousands)			
FY1997	$6,406,577	$10,098,889	$10,689,263	$12,282,619	$13,786,577
FY1998	$6,409,040	$9,978,084	$10,521,067	$11,804,416	$13,088,021
FY1999	$6,418,019	$9,869,238	$10,337,409	$11,422,698	$12,424,112
FY2000	$6,572,036	$9,899,932	$10,261,030	$11,255,556	$12,054,414
FY2001	$7,124,000	$10,477,577	$10,776,729	$11,760,672	$12,668,965
FY2002	$7,562,085	$10,949,761	$11,270,487	$12,062,387	$13,269,885
FY2003	$7,885,138	$11,202,944	$11,480,776	$12,248,205	$13,553,930
FY2004	$8,313,173	$11,529,529	$11,829,408	$12,563,810	$13,725,881
FY2005	$8,732,502	$11,753,464	$12,030,109	$12,872,797	$13,877,280
FY2006	$9,108,606	$11,873,693	$12,105,636	$13,069,163	$13,869,130
FY2007	$9,297,573	$11,796,025	$12,072,590	$12,906,879	$13,540,466
FY2008	$9,744,577	$12,110,983	$12,115,446	$13,116,919	$13,799,359
FY2009	$10,453,500	$12,861,108	$13,036,076	$13,808,886	$14,888,445
FY2010	$11,446,500	$13,961,640	$14,035,436	$14,893,778	$16,080,095
FY2011	$11,423,607	$13,657,899	$13,650,911	$14,621,714	$15,588,960
FY2012	$11,453,290	$13,447,294	$13,361,770	$14,402,741	$15,155,819
FY2013	$11,045,566	$12,735,074	$12,678,166	$13,642,037	$14,367,914
FY2014	$11,697,040	$13,230,214	$13,210,910	$14,166,632	$14,774,020
FY2015	$11,805,945	$13,202,479	$13,292,742	$13,978,066	$14,407,843
FY2016	$12,161,945	$13,488,983	$13,569,414	$14,078,299	$14,593,865
FY2017	$12,481,945	$13,601,588	$13,645,794	$14,100,424	$14,558,944
FY2018	$12,872,945	$13,708,183	$13,741,284	$14,127,419	$14,495,661
FY2019	$12,876,945	$13,449,265	$13,495,002	$13,719,825	$13,980,429
FY2020	$12,870,945	$13,266,900	$13,295,729	$13,320,225	$13,560,361
FY2021	$12,930,945	$12,930,945	$12,930,945	$12,930,945	$12,930,945
		Percentage Change in the FY2021 Annual LAE Appropriation Relative to the Fiscal Year Specified			
FY1997	+102%	+28%	+21%	+5%	-6%
FY1998	+102%	+30%	+23%	+10%	-1%
FY1999	+101%	+31%	+25%	+13%	+4%
FY2000	+97%	+31%	+26%	+15%	+7%
FY2001	+82%	+23%	+20%	+10%	+2%
FY2002	+71%	+18%	+15%	+7%	-3%
FY2003	+64%	+15%	+13%	+6%	-5%
FY2004	+56%	+12%	+9%	+3%	-6%

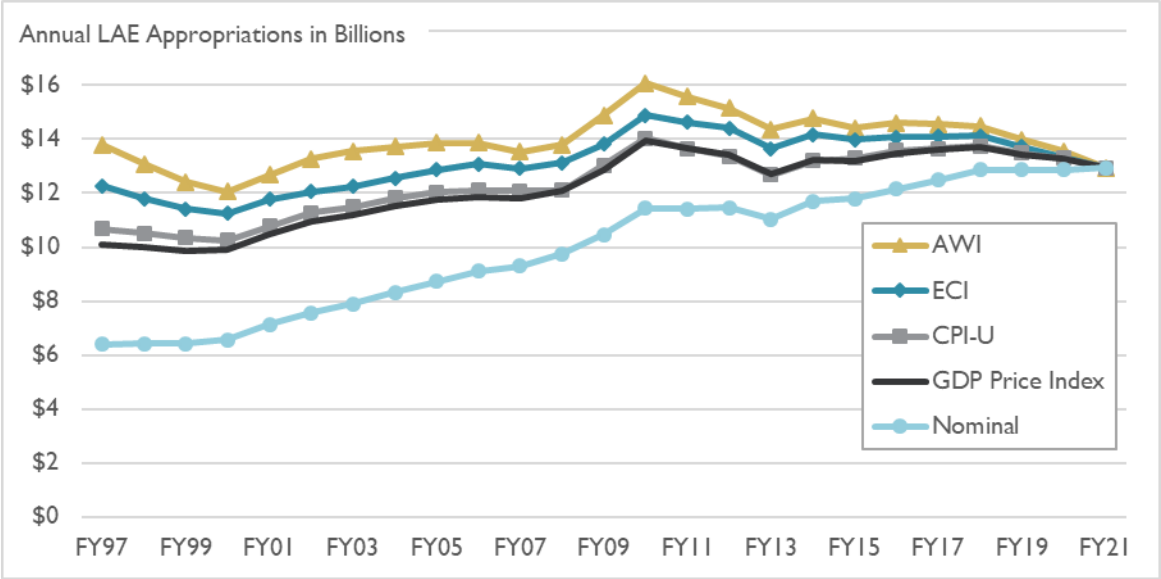
Fiscal Year	Nominal	GDP Price Index	CPI-U	ECI	AWI
FY2005	+48%	+10%	+7%	+0.5%	-7%
FY2006	+42%	+9%	+7%	-1%	-7%
FY2007	+39%	+10%	+7%	+0.2%	-5%
FY2008	+33%	+7%	+7%	-1%	-6%
FY2009	+24%	+1%	-1%	-6%	-13%
FY2010	+13%	-7%	-8%	-13%	-20%
FY2011	+13%	-5%	-5%	-12%	-17%
FY2012	+13%	-4%	-3%	-10%	-15%
FY2013	+17%	+2%	+2%	-5%	-10%
FY2014	+11%	-2%	-2%	-9%	-12%
FY2015	+10%	-2%	-3%	-7%	-10%
FY2016	+6%	-4%	-5%	-8%	-11%
FY2017	+4%	-5%	-5%	-8%	-11%
FY2018	+0.5%	-6%	-6%	-8%	-11%
FY2019	+0.4%	-4%	-4%	-6%	-8%
FY2020	+0.5%	-3%	-3%	-3%	-5%
FY2021	—	—	—	—	—

Source: CRS, based on the following sources: SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2004*, and subsequent editions; U.S. Department of Commerce, Bureau of Economic Analysis (BEA), "National Data: Table 1.1.4. Price Indexes for Gross Domestic Product, https://apps.bea.gov/iTable/index_nipa.cfm; BLS, "Consumer Price Index (CPI) Databases," https://www.bls.gov/cpi/data.htm; BLS, "Employment Cost Trends: Databases, https://www.bls.gov/ncs/ect/data.htm; SSA, Office of the Chief Actuary, "National Average Wage Index," https://www.ssa.gov/oact/cola/AWI.html; and Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, *The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, August 31, 2021, Table V.C1, https://www.ssa.gov/oact/tr/2021/V_C_prog.html#1047210.

Notes: "—" = not applicable. Amounts reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. "GDP Price Index" refers to BEA's Gross Domestic Product (GDP) Price Index. "CPI-U" refers to BLS's seasonally adjusted Consumer Price Index for All Urban Consumers (CPI-U) for all items in the U.S. city average. "ECI" refers to BLS's Employment Cost Index (ECI). "AWI" refers to SSA's Average Wage Index. All indexing measures are computed based on the average annual change in the measure over the fiscal year. CRS used a weighted average to convert the calendar-year AWI data in fiscal-year data. For the AWI, CRS used historical values through 2020 and the projected value for 2021 in the Social Security trustees' 2021 report. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77.

Figure B-1. Annual LAE Appropriation, in Nominal and Indexed 2021 Dollars, by Selected Index, FY1997-FY2021

(in Billions of Dollars)



Source: CRS, based on the sources in the "Source" section of **Table B-4**.

Notes: AWI = Average Wage Index. ECI = Employment Cost Index. CPI-U = Consumer Price Index for All Urban Consumers. GDP Price Index = Gross Domestic Product Price Index. See the "Notes" section of **Table B-4** for the methodology.

Table B-5. Distribution of the Annual LAE Appropriation, by Funding Source, FY1997-FY2021

Fiscal Year	Social Security Trust Funds (OASDI)	Medicare Trust Funds (HI/SMI)	General Fund (SSI)	User Fees	Total Annual LAE
		Nominal Dollar Amount (in Thousands)			
FY1997	$3,444,568	$846,099	$2,115,910	$0	$6,406,577
FY1998	$3,157,040	$965,000	$2,252,000	$35,000	$6,409,040
FY1999	$3,100,019	$952,000	$2,291,000	$75,000	$6,418,019
FY2000	$3,112,036	$1,038,000	$2,342,000	$80,000	$6,572,036
FY2001	$3,380,000	$1,094,000	$2,559,000	$91,000	$7,124,000
FY2002	$3,441,993	$1,193,092	$2,827,000	$100,000	$7,562,085
FY2003	$3,738,583	$1,210,554	$2,825,000	$111,000	$7,885,138
FY2004	$4,072,169	$1,147,705	$2,973,300	$120,000	$8,313,173
FY2005	$4,361,033	$1,256,968	$2,986,900	$127,600	$8,732,502
FY2006	$4,502,319	$1,753,410	$2,732,876	$120,000	$9,108,606
FY2007	$4,600,834	$1,626,570	$2,950,169	$120,000	$9,297,573
FY2008	$4,912,773	$1,679,661	$3,018,520	$133,625	$9,744,577
FY2009	$5,224,963	$1,876,000	$3,206,537	$146,000	$10,453,500
FY2010	$5,737,500	$2,106,000	$3,442,000	$161,000	$11,446,500
FY2011	$5,701,752	$2,049,941	$3,486,287	$185,627	$11,423,607
FY2012	$5,590,250	$2,089,794	$3,611,552	$161,694	$11,453,290
FY2013	$5,298,456	$1,980,485	$3,605,305	$161,320	$11,045,566
FY2014	$4,797,569	$1,807,407	$4,920,064	$172,000	$11,697,040
FY2015	$5,346,591	$1,755,376	$4,578,978	$125,000	$11,805,945
FY2016	$5,598,412	$1,777,800	$4,648,733	$137,000	$12,161,945
FY2017	$5,643,765	$1,684,753	$5,029,427	$124,000	$12,481,945
FY2018	$5,952,266	$2,391,365	$4,410,314	$119,000	$12,872,945
FY2019	$5,998,369	$2,459,496	$4,284,080	$135,000	$12,876,945
FY2020	$5,994,542	$2,458,514	$4,286,889	$131,000	$12,870,945
FY2021	$5,785,597	$2,715,499	$4,293,849	$136,000	$12,930,945
		Percentage of the Total			
FY1997	54%	13%	33%	0%	100%
FY1998	49%	15%	35%	1%	100%
FY1999	48%	15%	36%	1%	100%
FY2000	47%	16%	36%	1%	100%
FY2001	47%	15%	36%	1%	100%
FY2002	46%	16%	37%	1%	100%

Fiscal Year	Social Security Trust Funds (OASDI)	Medicare Trust Funds (HI/SMI)	General Fund (SSI)	User Fees	Total Annual LAE
FY2003	47%	15%	36%	1%	100%
FY2004	49%	14%	36%	1%	100%
FY2005	50%	14%	34%	1%	100%
FY2006	49%	19%	30%	1%	100%
FY2007	49%	17%	32%	1%	100%
FY2008	50%	17%	31%	1%	100%
FY2009	50%	18%	31%	1%	100%
FY2010	50%	18%	30%	1%	100%
FY2011	50%	18%	31%	2%	100%
FY2012	49%	18%	32%	1%	100%
FY2013	48%	18%	33%	1%	100%
FY2014	41%	15%	42%	1%	100%
FY2015	45%	15%	39%	1%	100%
FY2016	46%	15%	38%	1%	100%
FY2017	45%	13%	40%	1%	100%
FY2018	46%	19%	34%	1%	100%
FY2019	47%	19%	33%	1%	100%
FY2020	47%	19%	33%	1%	100%
FY2021	45%	21%	33%	1%	100%

Source: CRS, based on S.Rept. 105-58, S.Rept. 105-300, and SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 1999* and subsequent editions.

Notes: OASDI = Old-Age, Survivors, and Disability Insurance. HI/SMI = Hospital Insurance and Supplementary Medical Insurance. SSI = Supplemental Security Income. Components may not sum to totals due to rounding. Amounts reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. OASDI amounts include funding for SSAB. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77.

Table B-6. Overall LAE Funding, by Type of Appropriation, FY1997-FY2021

(in Thousands of Nominal Dollars)

Fiscal Year	Annual LAE Appropriation	Supplemental/Other	Overall LAE Funding
FY1997	$6,406,577		$6,406,577
FY1998	$6,409,040		$6,409,040
FY1999	$6,418,019		$6,418,019
FY2000	$6,572,036	$35,000	$6,607,036
FY2001	$7,124,000		$7,124,000
FY2002	$7,562,085	$7,500	$7,569,585
FY2003	$7,885,138		$7,885,138
FY2004	$8,313,173	$500,000	$8,813,173
FY2005	$8,732,502		$8,732,502
FY2006	$9,108,606	$38,000	$9,146,606
FY2007	$9,297,573		$9,297,573
FY2008	$9,744,577	$31,000	$9,775,577
FY2009	$10,453,500	$1,143,900	$11,597,400
FY2010	$11,446,500		$11,446,500
FY2011	$11,423,607		$11,423,607
FY2012	$11,453,290		$11,453,290
FY2013	$11,045,566		$11,045,566
FY2014	$11,697,040		$11,697,040
FY2015	$11,805,945	$27,000	$11,832,945
FY2016	$12,161,945	$22,000	$12,183,945
FY2017	$12,481,945	$22,000	$12,503,945
FY2018	$12,872,945	$27,000	$12,899,945
FY2019	$12,876,945		$12,876,945
FY2020	$12,870,945	$338,000	$13,208,945
FY2021	$12,930,945	$38,000	$12,968,945

Source: CRS, based on SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2004*, and subsequent editions.

Notes: Components may not sum to totals due to rounding. Amounts reflect new budget authority provided (i.e., enacted) *during* the fiscal year indicated, except for the annual LAE appropriations provided by the FY1997 and FY2019 LHHS appropriations acts and the other funding for FY2016-FY2018 provided by P.L. 114-10 (discussed below), all of which were enacted before the start of the applicable period of availability and thus represent new budget authority provided *for* the fiscal year indicated. Amounts include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. "Supplemental/Other" refers to supplemental discretionary appropriations or mandatory appropriations to the LAE account provided outside of the annual appropriations process; it excludes carryover LAE funding. During FY2000, P.L. 106-246 provided $35 million for costs related to changes to the retirement earnings test. During FY2002, P.L. 107-117 provided $7.5 million for costs related to the events of September 11, 2001. During FY2004, P.L. 108-173 provided $500 million in start-up costs related to Medicare reform and the implementation of Part D. During FY2006, P.L. 109-234 provided funding for

the Department of Homeland Security, $38 million of which was transferred to SSA for costs related to Hurricane Katrina. During FY2008, P.L. 109-234 provided $31 million for work related to rebate payments. During FY2009, P.L. 110-275 provided $24.8 million for work related to the Low-Income Subsidy and $24.1 million for Medicare Savings Program outreach; P.L. 111-3 provided $5 million for costs related to verifying citizenship or nationality for Medicaid and the State Children's Health Insurance Program; P.L. 111-5 provided $500 million to replace the National Computer Center, $500 million for processing disability and retirement workloads, and $90 million for work related to economic recovery payments. During FY2015, P.L. 114-10 provided transfers from the Medicare trust funds for FY2015-FY2018 for implementation costs related to Medicare replacement cards. During FY2020, P.L. 116-136 provided $300 million to respond to the COVID-19 pandemic, and $38 million for work related to recovery rebates, also known as economic impact payments. During FY2021, P.L. 116-260 provided $38 million for work related to recovery rebates. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77.

Table B-7. Annual LAE Appropriation, by Major Component, FY2010-FY2021

Fiscal Year	General LAE			Total Dedicated PI	Total Annual LAE
	Base LAE	User Fees	Total		
			Nominal Dollar Amount (in Thousands)		
FY2010	$10,527,500	$161,000	$10,688,500	$758,000	$11,446,500
FY2011	$10,481,495	$185,628	$10,667,123	$756,484	$11,423,607
FY2012	$10,535,544	$161,694	$10,697,238	$756,052	$11,453,290
FY2013	$10,141,607	$161,320	$10,302,927	$742,639	$11,045,566
FY2014	$10,328,040	$172,000	$10,500,040	$1,197,000	$11,697,040
FY2015	$10,284,945	$125,000	$10,409,945	$1,396,000	$11,805,945
FY2016	$10,598,945	$137,000	$10,735,945	$1,426,000	$12,161,945
FY2017	$10,538,945	$124,000	$10,662,945	$1,819,000	$12,481,945
FY2018	$11,018,945	$119,000	$11,137,945	$1,735,000	$12,872,945
FY2019	$11,058,945	$135,000	$11,193,945	$1,683,000	$12,876,945
FY2020	$11,157,945	$131,000	$11,288,945	$1,582,000	$12,870,945
FY2021	$11,219,945	$136,000	$11,355,945	$1,575,000	$12,930,945
			Percentage of the Total		
FY2010	92%	1%	93%	7%	100%
FY2011	92%	2%	93%	7%	100%
FY2012	92%	1%	93%	7%	100%
FY2013	92%	1%	93%	7%	100%
FY2014	88%	1%	90%	10%	100%
FY2015	87%	1%	88%	12%	100%
FY2016	87%	1%	88%	12%	100%
FY2017	84%	1%	85%	15%	100%
FY2018	86%	1%	87%	13%	100%
FY2019	86%	1%	87%	13%	100%
FY2020	87%	1%	88%	12%	100%
FY2021	87%	1%	88%	12%	100%

Source: CRS, based on SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2011* and subsequent editions.

Notes: PI = program integrity. Components may not sum to totals due to rounding. Amounts reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. *General LAE funding* refers to base LAE funding *plus* total user fees—in other words, the part of the annual LAE appropriation that is not dedicated to PI activities. *Total dedicated PI funding* refers to base PI funding *plus* adjustment PI funding. For FY2010 and FY2011, base PI funding was included in the amount of base LAE funding specified in the legislative text of the applicable LHHS appropriation act. For consistent presentation, this table subtracts out base PI funding from the base LAE for those years. Consequently, the base LAE amounts for FY2010 and FY2011 differ from those shown in the legislative text of the applicable LHHS appropriation act and in SSA's congressional budget justifications. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77.

Table B-8. General LAE Funding, in Nominal and Indexed 2021 Dollars, by Selected Index, FY2010-FY2021

Fiscal Year	Nominal	GDP Price Index	CPI-U	ECI	AWI
		Dollar Amount (in Thousands)			
FY2010	$10,688,500	$13,037,085	$13,105,994	$13,907,495	$15,015,253
FY2011	$10,667,123	$12,753,458	$12,746,933	$13,653,448	$14,556,642
FY2012	$10,697,238	$12,559,614	$12,479,736	$13,451,991	$14,155,357
FY2013	$10,302,927	$11,878,843	$11,825,761	$12,724,827	$13,401,900
FY2014	$10,500,040	$11,876,319	$11,858,990	$12,716,910	$13,262,142
FY2015	$10,409,945	$11,641,345	$11,720,935	$12,325,222	$12,704,180
FY2016	$10,735,945	$11,907,387	$11,978,387	$12,427,605	$12,882,720
FY2017	$10,662,945	$11,619,422	$11,657,186	$12,045,562	$12,437,262
FY2018	$11,137,945	$11,860,611	$11,889,250	$12,223,342	$12,541,954
FY2019	$11,193,945	$11,691,463	$11,731,223	$11,926,662	$12,153,205
FY2020	$11,288,945	$11,636,232	$11,661,518	$11,683,003	$11,893,623
FY2021	$11,355,945	$11,355,945	$11,355,945	$11,355,945	$11,355,945
		Percentage Change in FY2021 General LAE Funding Relative to the Fiscal Year Specified			
FY2010	+6%	-13%	-13%	-18%	-24%
FY2011	+6%	-11%	-11%	-17%	-22%
FY2012	+6%	-10%	-9%	-16%	-20%
FY2013	+10%	-4%	-4%	-11%	-15%
FY2014	+8%	-4%	-4%	-11%	-14%
FY2015	+9%	-2%	-3%	-8%	-11%
FY2016	+6%	-5%	-5%	-9%	-12%
FY2017	+6%	-2%	-3%	-6%	-9%
FY2018	+2%	-4%	-4%	-7%	-9%
FY2019	+1%	-3%	-3%	-5%	-7%
FY2020	+1%	-2%	-3%	-3%	-5%
FY2021	—	—	—	—	—

Source: CRS, based on the sources in the "Source" section of **Table B-4**.

Notes: GDP Price Index = Gross Domestic Product Price Index. CPI-U = Consumer Price Index for All Urban Consumers. ECI = Employment Cost Index. AWI = Average Wage Index. *General LAE funding* refers to base LAE funding *plus* total user fees—in other words, the part of the annual LAE appropriation that is not dedicated to PI activities. See the "Notes" section of **Table B-4** for the indexation methodology and **Table B-7** for additional information.

Table B-9. Total Dedicated Program Integrity (PI) Funding, in Nominal and Indexed 2021 Dollars, By Selected Index, FY2010-FY2021

Fiscal Year	Nominal	GDP Price Index	CPI-U	ECI	AWI
		Dollar Amount (in Thousands)			
FY2010	$758,000	$924,555	$929,442	$986,283	$1,064,842
FY2011	$756,484	$904,441	$903,979	$968,266	$1,032,318
FY2012	$756,052	$887,680	$882,035	$950,751	$1,000,463
FY2013	$742,639	$856,232	$852,405	$917,210	$966,014
FY2014	$1,197,000	$1,353,895	$1,351,920	$1,449,722	$1,511,878
FY2015	$1,396,000	$1,561,134	$1,571,807	$1,652,844	$1,703,663
FY2016	$1,426,000	$1,581,597	$1,591,027	$1,650,694	$1,711,145
FY2017	$1,819,000	$1,982,166	$1,988,608	$2,054,862	$2,121,682
FY2018	$1,735,000	$1,847,572	$1,852,034	$1,904,076	$1,953,708
FY2019	$1,683,000	$1,757,801	$1,763,779	$1,793,163	$1,827,224
FY2020	$1,582,000	$1,630,668	$1,634,211	$1,637,222	$1,666,738
FY2021	$1,575,000	$1,575,000	$1,575,000	$1,575,000	$1,575,000
		Percentage Change in FY2021 Total Dedicated PI Funding Relative to the Fiscal Year Specified			
FY2010	+108%	+70%	+69%	+60%	+48%
FY2011	+108%	+74%	+74%	+63%	+53%
FY2012	+108%	+77%	+79%	+66%	+57%
FY2013	+112%	+84%	+85%	+72%	+63%
FY2014	+32%	+16%	+17%	+9%	+4%
FY2015	+13%	+1%	+0.2%	-5%	-8%
FY2016	+10%	-0.4%	-1%	-5%	-8%
FY2017	-13%	-21%	-21%	-23%	-26%
FY2018	-9%	-15%	-15%	-17%	-19%
FY2019	-6%	-10%	-11%	-12%	-14%
FY2020	-0.4%	-3%	-4%	-4%	-6%
FY2021	—	—	—	—	—

Source: CRS, based on the sources in the "Source" section of **Table B-4**.

Notes: GDP Price Index = Gross Domestic Price Index. CPI-U = Consumer Price Index for All Urban Consumers. ECI = Employment Cost Index. AWI = Average Wage Index. *Total dedicated PI funding* refers to base PI funding *plus* adjustment PI funding. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77. See the "Notes" section of **Table B-4** for the indexation methodology and **Table B-7** for additional information.

Appendix C. Supplemental LAE Tables

Table C-1 shows the annual LAE appropriation for FY2010-FY2021 by legislative text component. For more information on the legislative text of the annual LAE appropriation, see "Components of the Legislative Text of the Annual LAE Appropriation" in the body of the report.

Table C-1. Annual LAE Appropriation, by Legislative Text Component, FY2010-FY2021

(in Millions of Nominal Dollars)

Component	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Main LAE	$11,285.5	$11,238.0	$11,291.6	$10,884.2	$11,525.0	$11,680.9	$12,024.9	$12,357.9	$12,753.9	$12,741.9	$12,739.9	$12,794.9
Base LAE (non-add)	$10,527.5	$10,481.5	$10,535.5	$10,141.6	$10,328.0	$10,284.9	$10,598.9	$10,538.9	$11,018.9	$11,058.9	$11,157.9	$11,219.9
Total dedicated PI (non-add)	$758.0	$756.5	$756.1	$742.6	$1,197.0	$1,396.0	$1,426.0	$1,819.0	$1,735.0	$1,683.0	$1,582.0	$1,575.0
Base PI (non-add)	*$273.0*	*$272.5*	*$273.5*	*$272.0*	*$273.0*	*$273.0*	*$273.0*	*$273.0*	*$273.0*	*$273.0*	*$273.0*	*$273.0*
Adjusted PI (non-add)	*$485.0*	*$484.0*	*$482.6*	*$470.6*	*$924.0*	*$1,123.0*	*$1,153.0*	*$1,546.0*	*$1,462.0*	*$1,410.0*	*$1,309.0*	*$1,302.0*
SSI SSP user fees	$160.0	$185.6	$160.7	$160.4	$171.0	$124.0	$136.0	$123.0	$118.0	$134.0	$130.0	$135.0
Non-attorney user fees	$1.0	$0.0	$1.0	$0.9	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0
Total Annual LAE	**$11,446.5**	**$11,423.6**	**$11,453.3**	**$11,045.6**	**$11,697.0**	**$11,805.9**	**$12,161.9**	**$12,481.9**	**$12,872.9**	**$12,876.9**	**$12,870.9**	**$12,930.9**

Source: CRS, based on applicable annual LHHS appropriations acts and applicable annual SSA operating plans.

Notes: LAE = Limitation on Administrative Expenses. PI = program integrity. SSI = Supplemental Security Income. SSP = state supplementary payment. Components may not sum to totals due to rounding. Amounts reflect new budget authority provided by the annual LAE appropriation only and include reductions due to sequestration and rescissions, except for rescissions of no-year IT funds and the rescission of funds for the administration of economic recovery payments. "Non-add" amounts are displayed for clarification purposes; these amounts are not added to the totals. For FY2010 and FY2011, base PI funding was included in the amount of base LAE funding specified in the legislative text of the applicable LHHS appropriation act. For consistent presentation, this table subtracts out base PI funding from the base LAE for those years. Consequently, the base LAE amounts for FY2010 and FY2011 differ from those shown in the legislative text of the applicable LHHS appropriation act and in SSA's congressional budget justifications. For simplicity, this report considers adjustment PI funding for FY2012 to have been provided as part of the annual appropriations process, even though it was provided by a supplemental discretionary appropriation under P.L. 112-77.

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