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Social Security Administration (SSA) FY2022 Annual Limitation on Administrative Expenses (LAE) Appropriation: In Brief

May 13, 2022

Congressional Research Service
https://crsreports.congress.gov
R47103

CRS REPORT
Prepared for Members and
Committees of Congress

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Introduction

This report provides a brief overview of the Social Security Administration's (SSA's) annual Limitation on Administrative Expenses (LAE) appropriation for FY2022. It provides links to relevant agency, Administration, congressional, and other resources. Please note that the amounts specified in this report differ slightly from the amounts specified in the relevant congressional reports because those reports apply Congressional Budget Office (CBO) adjustments to user fees based on the agency's projection of actual user fee collections. CBO typically projects that SSA's actual user fee collections will be less than the amounts authorized in proposals or legislation.

Background on SSA

SSA is an independent agency in the executive branch headed by the Commissioner of Social Security. SSA employs about 60,000 federal workers across its more than 1,500 offices and supports about 15,000 state Disability Determination Services personnel who conduct disability determinations on SSA's behalf. 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 (SSI). 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. For more information on SSA, see the following resources:

- CRS Report R47086, *Social Security Policy Resources for Congressional Staff*.
- CRS Report R47097, *Social Security Administration (SSA): Trends in the Annual Limitation on Administrative Expenses (LAE) Appropriation Through FY2021*.
- SSA, *Annual Statistical Supplement, 2021*, "Social Security (Old-Age, Survivors, and Disability Insurance): Structure and Organization" and "SSA Resources and Operations," https://www.ssa.gov/policy/docs/statcomps/supplement/.

Overview of the Annual LAE Appropriation

Benefit payments for SSA's programs are considered mandatory spending, which is not controlled by annual appropriations acts. However, the resources needed to carry out SSA's programs, as well as to support the administration of Medicare and other priorities, are generally considered discretionary spending and thus are controlled by appropriations acts. Nearly all of SSA's administrative expenses are funded by appropriations to its LAE account, and almost all of the funding for the LAE account is provided each year as part of the annual appropriations process.

SSA's 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 the Treasury's general fund for SSI's share of administrative expenses, and certain user fees. The legislative text of SSA's annual LAE appropriation typically consists of four paragraphs. The first paragraph provides 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. The *base LAE*, which is equal to the main LAE less total dedicated PI funding, constitutes the bulk of SSA's discretionary administrative funding. The second paragraph specifies the amount of the main LAE in the first paragraph that is dedicated to certain PI activities, such as continuing disability reviews (CDRs) and SSI nonmedical redeterminations. The third and fourth paragraphs provide additional funding from a portion of the *user fees* collected for SSA's administration of

state supplementary payments under the SSI program and certifications of non-attorney claimant representatives.

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 (LHHS) appropriations act. For more information on SSA's annual LAE appropriation and the annual LHHS appropriations act, see the following resources:

- CRS Report R47097, *Social Security Administration (SSA): Trends in the Annual Limitation on Administrative Expenses (LAE) Appropriation Through FY2021*.
- SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2022*, "Budget Overview," https://www.ssa.gov/budget/.
- CRS Report R47029, *Labor, Health and Human Services, and Education: FY2022 Appropriations*.

FY2022 Budget Requests for the Annual LAE

Commissioner of Social Security

The Social Security Act requires the Commissioner of Social Security to prepare an independent budget and for the President to submit it to Congress, without revision, together with the President's budget. The FY2022 Commissioner's budget request for SSA's total annual LAE appropriation was $14.484 billion, which was about $1.553 billion (+12.0%) more than the FY2021 enacted level. (The Commissioner's budget request included in the President's budget does not provide a breakout of the components of the proposed annual LAE appropriation.) For more information on the FY2022 Commissioner's budget request, see the last paragraph of SSA's section of the appendix to the FY2022 President's budget:

- U.S. Office of Management and Budget (OMB), *Appendix, Budget of the United States Government, Fiscal Year 2022*, p. 1241, https://www.govinfo.gov/content/pkg/BUDGET-2022-APP/pdf/BUDGET-2022-APP-1-29.pdf#page=9.

President

The FY2022 President's budget request for the FY2022 total annual LAE appropriation was nearly $14.189 billion, which was about $1.258 billion (+9.7%) more than the FY2021 enacted level. The FY2022 total included nearly $12.342 billion in base LAE funding, $139 million in total user fees, and $1.708 billion in total dedicated PI funding for certain activities, such as CDRs and SSI nonmedical redeterminations. For more information, see the resources below:

- OMB, *Appendix, Budget of the United States Government, Fiscal Year 2022*, p. 1239, https://www.govinfo.gov/content/pkg/BUDGET-2022-APP/pdf/BUDGET-2022-APP-1-29.pdf#page=7.
- OMB, *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2022*, Chapter 6. Budget Concepts, "Program Integrity: Social Security," p. 60, https://www.govinfo.gov/content/pkg/BUDGET-2022-PER/pdf/BUDGET-2022-PER-4-1.pdf#page=8.
- SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2022*, "Limitation on Administrative Expenses," https://www.ssa.gov/budget/.

FY2022 Congressional Proposals for the Annual LAE

House

The House Appropriations Committee reported its LHHS bill to the House on July 19, 2021 (H.R. 4502, Division A; H.Rept. 117-96), and the House passed the bill, as amended, on July 29, 2021. The FY2022 House bill proposed almost $14.067 billion for the FY2022 total annual LAE appropriation, which was $1.136 billion (+8.8%) more than the FY2021 enacted level. The FY2022 total included nearly $12.220 billion in base LAE funding and the same amounts as the FY2022 President's budget for total user fees and total dedicated PI funding. For more information, see the resources below:

- LAE section of H.R. 4502, pp. 176-179, https://www.congress.gov/117/bills/hr4502/BILLS-117hr4502rh.pdf#page=176.
- H.Rept. 117-96 (amounts in the report reflect CBO adjustments to user fees),
  - LAE section of report write-up, pp. 329-333, https://www.congress.gov/117/crpt/hrpt96/CRPT-117hrpt96.pdf#page=329,
  - LAE section of detailed table, pp. 518-519, https://www.congress.gov/117/crpt/hrpt96/CRPT-117hrpt96.pdf#page=518.

Senate

The Senate Appropriations Committee released a draft FY2022 LHHS bill and accompanying report on October 18, 2021, and the chair of the Senate Appropriations LHHS Subcommittee introduced the bill (S. 3062) on October 25, 2021, which specified the same amounts for the annual LAE appropriation as the draft bill. It proposed almost $13.938 billion for the FY2022 total annual LAE appropriation, which was $1.007 billion (+7.8%) more than the FY2021 enacted level. The FY2022 total included nearly $12.091 billion in base LAE funding and the same amounts as the FY2022 President's budget for total user fees and total dedicated PI funding. For more information, see the resources below:

- LAE section of draft Senate bill, pp. 181-184, https://www.appropriations.senate.gov/imo/media/doc/LHHSFY2022_Final.PDF#page=181.
- LAE section of S. 3062, pp. 181-184, https://www.congress.gov/117/bills/s3062/BILLS-117s3062is.pdf#page=181.
- Draft Senate report (amounts in the report reflect CBO adjustments to user fees),
  - LAE section of report write-up, pp. 293-295, https://www.appropriations.senate.gov/imo/media/doc/LHHSREPT_FINAL3.PDF#page=293
  - LAE section of detailed table, pp. 372-373, https://www.appropriations.senate.gov/imo/media/doc/LHHSREPT_FINAL3.PDF#page=372.

FY2022 Enacted Appropriation for the Annual LAE

The Consolidated Appropriations Act, 2022 (H.R. 2471 and P.L. 117-103), which included the FY2022 LHHS appropriations act (Division H), was signed into law on March 15, 2022. It

provided almost $13.342 billion for the FY2022 total annual LAE appropriation, which was $411 million (+3.2%) more than the FY2021 enacted level. The FY2022 total included nearly $11.495 billion in base LAE funding and the same amounts as the FY2022 President's budget for total user fees and total dedicated PI funding. For more information, see the resources below:

- LAE section of H.R. 2471, pp. 445-446, https://www.congress.gov/117/bills/hr2471/BILLS-117hr2471enr.pdf#page=445.
- Joint explanatory statement (amounts reflect CBO adjustments to user fees),
  - LAE section of write-up, *Congressional Record*, daily edition, vol. 168, no. 42, Book IV (March 9, 2022), p. H2688, https://www.congress.gov/117/crec/2022/03/09/168/42/CREC-2022-03-09-bk4.pdf#page=212,
  - LAE section of detailed table, *Congressional Record*, daily edition, vol. 168, no. 42, Book IV (March 9, 2022), pp. H2903-H2904, https://www.congress.gov/117/crec/2022/03/09/168/42/CREC-2022-03-09-bk4.pdf#page=427.
- SSA, *Fiscal Year 2022 Operating Plan*, https://www.ssa.gov/budget/FY22Files/2022OP.pdf.

Comparison and Historical Tables

Table 1 compares the proposed and enacted levels for SSA's FY2022 total annual LAE appropriation (including the Commissioner's request) and the FY2021 enacted level. **Table 2** compares the proposed and enacted levels for the FY2022 annual LAE appropriation (excluding the Commissioner's request) and the FY2021 enacted level by legislative text component. **Table 3** compares the enacted levels for the annual LAE appropriation for FY2009-FY2022 by legislative text component.

Table 1. Comparison of FY2021 Enacted, FY2022 Proposals, and FY2022 Enacted for SSA's Total Annual LAE Appropriation

(in Thousands of Nominal Dollars)

Total Annual LAE	FY2021 Enacted	FY2022 Commissioner's Budget	FY2022 President's Budget	FY2022 House Bill	FY2022 Senate Bill	FY2022 Enacted
Dollar Amount	$12,930,945	$14,484,000	$14,188,896	$14,066,945	$13,937,945	$13,341,945
Dollar Difference Relative to FY2021 Enacted	—	$1,553,055	$1,257,951	$1,136,000	$1,007,000	$411,000
Percentage Change Relative to FY2021 Enacted	—	+12.0%	+9.7%	+8.8%	+7.8%	+3.2%

Source: CRS, based on the materials presented in this report.

Notes: "—" = not applicable. Amounts in this table differ slightly from the amounts specified in relevant congressional reports because those reports apply CBO adjustments to user fees based on the agency's projection of actual user fee collections.

Table 2. Comparison of FY2021 Enacted, FY2022 Proposals, and FY2022 Enacted for SSA's Annual LAE Appropriation, by Legislative Text Component

(in Thousands of Nominal Dollars)

Component	FY2021 Enacted	FY2022 President's Budget	FY2022 House Bill	FY2022 Senate Bill	FY2022 Enacted
Dollar Amount (in Thousands)					
Main LAE	$12,794,945	$14,049,896	$13,927,945	$13,798,945	$13,202,945
Base LAE (non-add)	$11,219,945	$12,341,896	$12,219,945	$12,090,945	$11,494,945
Total Dedicated PI (non-add)	$1,575,000	$1,708,000	$1,708,000	$1,708,000	$1,708,000
Base PI (non-add)	*$273,000*	*$273,000*	*$273,000*	*$273,000*	*$273,000*
Adjusted PI (non-add)	*$1,302,000*	*$1,435,000*	*$1,435,000*	*$1,435,000*	*$1,435,000*
SSI SSP User Fees	$135,000	$138,000	$138,000	$138,000	$138,000
Non-Attorney User Fees	$1,000	$1,000	$1,000	$1,000	$1,000
Total Annual LAE	**$12,930,945**	**$14,188,896**	**$14,066,945**	**$13,937,945**	**$13,341,945**
Dollar Difference Relative to FY2021 Enacted (in Thousands)					
Main LAE	—	$1,254,951	$1,133,000	$1,004,000	$408,000
Base LAE (non-add)	—	$1,121,951	$1,000,000	$871,000	$275,000
Total Dedicated PI (non-add)	—	$133,000	$133,000	$133,000	$133,000
Base PI (non-add)	—	*$0*	*$0*	*$0*	*$0*
Adjusted PI (non-add)	—	*$133,000*	*$133,000*	*$133,000*	*$133,000*
SSI SSP User Fees	—	$3,000	$3,000	$3,000	$3,000
Non-Attorney User Fees	—	$0	$0	$0	$0
Total Annual LAE	**—**	**$1,257,951**	**$1,136,000**	**$1,007,000**	**$411,000**
Percentage Change Relative to FY2021 Enacted					
Main LAE	—	+9.8%	+8.9%	+7.8%	+3.2%
Base LAE (non-add)	—	+10.0%	+8.9%	+7.8%	+2.5%
Total Dedicated PI (non-add)	—	+8.4%	+8.4%	+8.4%	+8.4%
Base PI (non-add)	—	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Adjusted PI (non-add)	—	*+10.2%*	*+10.2%*	*+10.2%*	*+10.2%*
SSI SSP User Fees	—	+2.2%	+2.2%	+2.2%	+2.2%
Non-Attorney User Fees	—	0.0%	0.0%	0.0%	0.0%
Total Annual LAE	**—**	**+9.7%**	**+8.8%**	**+7.8%**	**+3.2%**

Source: CRS, based on the materials presented in this report.

Notes: "—"= not applicable. PI = program integrity. SSI = Supplemental Security Income. SSP = state supplementary payment. Components may not sum to totals due to rounding. "Non-add" amounts are displayed for clarification purposes; these amounts are not added to the totals. The FY2022 Commissioner's request is not shown because the President's budget does not provide a breakout of the components of the Commissioner's request. Amounts in this table differ slightly from the amounts specified in relevant congressional reports because those reports apply CBO adjustments to user fees based on the agency's projection of actual user fee collections.

Table 3. SSA's Enacted Annual LAE Appropriation, by Legislative Text Component, FY2009-FY2022

(in Millions of Nominal Dollars)

Component	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Main LAE	$10,307.5	$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
Base LAE (non-add)	$9,803.5	$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
Total Dedicated PI (non-add)	$504.0	$758.0	$756.5	$756.1	$742.6	$1,197.0	$1,396.0	$1,426.0	$1,819.0	$1,735.0
Base PI (non-add)	*$264.0*	*$273.0*	*$272.5*	*$273.5*	*$272.0*	*$273.0*	*$273.0*	*$273.0*	*$273.0*	*$273.0*
Adjusted PI (non-add)	*$240.0*	*$485.0*	*$484.0*	*$482.6*	*$470.6*	*$924.0*	*$1,123.0*	*$1,153.0*	*$1,546.0*	*$1,462.0*
SSI SSP User Fees	$145.0	$160.0	$185.6	$160.7	$160.4	$171.0	$124.0	$136.0	$123.0	$118.0
Non-Attorney User Fees	$1.0	$1.0	$0.0	$1.0	$0.9	$1.0	$1.0	$1.0	$1.0	$1.0
Total Annual LAE	**$10,453.5**	**$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**

Component	FY2019	FY2020	FY2021	FY2022
Main LAE	$12,741.9	$12,739.9	$12,794.9	$13,202.9
Base LAE (non-add)	$11,058.9	$11,157.9	$11,219.9	$11,494.9
Total Dedicated PI (non-add)	$1,683.0	$1,582.0	$1,575.0	$1,708.0
Base PI (non-add)	*$273.0*	*$273.0*	*$273.0*	*$273.0*
Adjusted PI (non-add)	*$1,410.0*	*$1,309.0*	*$1,302.0*	*$1,435.0*
SSI SSP User Fees	$134.0	$130.0	$135.0	$138.0
Non-Attorney User Fees	$1.0	$1.0	$1.0	$1.0
Total Annual LAE	**$12,876.9**	**$12,870.9**	**$12,930.9**	**$13,341.9**

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

Notes: 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 most rescissions. Amounts for certain components are adjusted from those specified in applicable annual LHHS appropriations acts and SSA's congressional budget justification for purposes of consistent presentation. "Non-add" amounts are displayed for clarification purposes; these amounts are not added to the totals. The table starts with FY2009 because no dedicated PI funding was provided for FY2003-FY2008. The table does not reflect CBO adjustments to user fees based on the agency's projection of actual user fee collections.

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