Description of document: Social Security Administration (SSA) Office of the Inspector General (OIG) records concerning the impact of sequestration on SSA, 2013

Requested date: 28-April-2013

Released date: 09-September-2013

Posted date: 23-September-2013

Source of document: Social Security Administration
Principal Public FOIA Liaison
Room 3-A-6 Operations
6401 Security Boulevard
Baltimore, MD 21235
Fax: (410) 966-0869

# SOCIAL SECURITY

Refer to:
S9H: AK9554

September 9, 2013

I am responding to your April 28, 2013 Freedom of Information Act (FOIA) request for memos and documents describing the impact of federal budget sequestration upon the Social Security Administration's operations and functions.

I am enclosing 42 pages of documents responsive to your request. There is no charge for this information.

If you disagree with this decision, you may appeal it. Mail the appeal within 30 days after you receive this letter to the Executive Director for the Office of Privacy and Disclosure, Social Security Administration, 617 Altmeyer Building, 6401 Security Boulevard, Baltimore, Maryland 21235. Mark the envelope "Freedom of Information Appeal."

Sincerely,

Dawn S. Wiggins

Dawn S. Wiggins
Freedom of Information Officer

Enclosures

SOCIAL SECURITY

The Commissioner

April 29, 2013

The Honorable Harold Rogers
Chairman, Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter transmits the Operating Plan for the Social Security Administration, as required by Section 113 of the Consolidated and Further Continuing Appropriations Resolution, 2013 (Public Law 113-6).

The enclosed plan includes a General Statement, which provides highlights of our operating plan for fiscal year (FY) 2013. Our operating plan provides our proposed spending for each of our accounts through the end of FY 2013 under the funding levels provided in the bill and takes into account our reduced funding levels stemming from sequestration. The plan also provides workload and performance measures which incorporate current workload projections.

We have enclosed the following appendices: (1) Extramural Research and Demonstration Budget, (2) FY 2012 Workload Data on Disability Appeals, (3) National Support Center Project Milestones, (4) Historical Staff-on-Duty by Major SSA Component, and (5) Key Assumptions and Cost Drivers.

We are sending similar letters to Senators Mikulski, Shelby, Harkin, Moran, and Representatives Lowey, Kingston, and DeLauro.

We are happy to work with your staff to answer any questions about our Operating Plan. If you have any questions, please have your staff contact Bonnie Kind, our Associate Commissioner for the Office of Budget, at (410) 965-3501.

Sincerely,

Carolyn W. Colvin

Carolyn W. Colvin
Acting Commissioner

Enclosure

# SOCIAL SECURITY ADMINISTRATION
# GENERAL STATEMENT

The Social Security Administration has experienced significant challenges stemming from over two straight years of funding levels at nearly a billion dollars below the President's Budget request. These effects will continue and become more severe with the full year funding level in FY 2013 ($11.046 billion post-sequestration). This level includes a cut of 3.4 percent, or $386 million, to SSA's administrative budget as a result of sequestration.[1]

It is important to remember that none of our work is discretionary, and we must complete all benefit applications we receive. The longer it takes us to process our incoming work, the more expensive it is to complete and the greater the burden on the public. In addition, improper payments increase if we do not have enough resources to keep our records accurate or perform timely continuing disability reviews, which actually save the government money in the long run.

What has helped us endure lean budget years is our reengineered business processes and online suite of services, without which our backlogs and wait times would be significantly worse. However, the core of our work is and will likely always be people-based. Even with productivity increases over the last five years, if we do not have enough staff to keep up, the public can expect to wait longer in our offices, on the phone, and for disability decisions at all levels.

## What We Have Done to Reduce Our Costs

Over the last few years, we have taken actions to minimize the effects of budget constraints on our customers, including the following cost-saving measures:

- significantly limited hiring, with only minimal hiring in critical frontline areas. By the end of this fiscal year, we expect to lose an additional 3,300 employees through attrition on top of the over 9,200 we have already lost since the beginning of FY 2011, resulting in a total loss of nearly 15 percent of our workforce;
- consolidated 41 field offices and closed 490 contact stations since FY 2010, in addition to foregoing plans to open 8 needed new hearings offices and a new TeleService center;
- significantly reduced overtime and reduced the hours that our field offices are open to the public to complete interviews and claims work without using overtime;

[1] Certain parts of our administrative budget are considered exempt from sequestration as detailed on page 196 in the Transparency Act report (http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/stareport.pdf) previously submitted to Congress.

- operated with minimum non-personnel spending, only funding the most essential costs such as mandatory contracts and rent on our buildings;
- implemented an acquisitions savings plan that realized over $620 million in savings from FY 2010 through FY 2012;
- reduced travel in accordance with the President's Executive Order 13589 on Promoting Efficient Spending;
- reduced spending in areas such as printing, supplies, and relocation;
- reduced agency-sponsored conferences from 112 in FY 2010 to 13 in FY 2012; and
- suspended our lower priority notices (e.g., recontact and direct deposit notices) and reduced the number of Social Security Statements mailed. (We have successfully launched an easy-to-access online Social Security Statement.)

**The Impact of Budget Cuts in FY 2013 on Our Key Services and Workloads**

Tighter budgets, including cuts due to sequestration, have exacerbated our ability to serve members of the public who need our services, resulting in growing backlogs and longer wait times. Due to reduced staff and overtime, we estimate that callers to our 800-number will wait almost 9 minutes for us to answer in FY 2013, a significant increase from the nearly 5 minutes they had to wait in FY 2012. The average busy rate will rise from 5 percent in FY 2012 to 16 percent by the end of FY 2013. The pending levels of initial disability claims will rise from 708,000 in FY 2012 to 804,000 at the end of FY 2013, an increase of nearly 100,000 claims. On average, applicants will have to wait a week longer for a decision on an initial disability claim and nearly a month longer for a disability hearing decision compared to last year.

We are reducing our cost-effective continuing disability reviews (CDR) to 422,000, which is approximately 200,000 below our FY 2013 President's Budget request and fewer than we completed in FY 2012. Every dollar spent on medical CDRs will yield an estimated $9 in program savings over 10 years.

It is also possible that we may need to do some minor reprogramming to mitigate the risk of furloughs to our Office of Inspector General, and we will notify Congress as appropriate.

Over the past few years, we have made some very difficult decisions, and we have done so with a focus on balancing our service and stewardship workloads. However, we cannot do it all without sustained, adequate funding because our funding level directly affects our service levels. When Congress reduces our funding, we are forced to cut service and stewardship to hearings, initial claims, and program integrity. These cuts result in backlogs and increased improper payments in subsequent years.

# Social Security Administration (SSA) Fiscal Year (FY) 2013 Operating Plan
## (Appropriated FY 2013 Funds and Carryover/Transfers of Unobligated Prior-Year Funds)
### ($ in millions)

| Budget Authority: | FY 2013 of the FY 2014 President's Budget | | FY 2013 Available Funding | |
|---|---|---|---|---|
| **Payments to the Social Security Trust Funds (PTF)** | | | | |
| Pension Reform | $6.4 | | $6.4 | |
| Unnegotiated Checks | 14.0 | | 14.0 | |
| Special Benefits for Certain Uninsured Persons | 0.0 | 1/ | 0.0 | 1/ |
| Military Service Wage Credits | 0.0 | | 0.0 | |
| Total Appropriation (P.L. 113-6) | $20.4 | | $20.4 | |
| **Supplemental Security Income (SSI)** | | | | |
| FY 2013 Benefit Payments, Total | $53,300.0 | | $53,300.0 | 2/ |
| - FY 2013 First Quarter Advance (P.L. 112-74) | 18,200.0 | | 18,200.0 | |
| - FY 2013 Appropriation | 35,100.0 | | 35,100.0 | |
| Administrative Expenses, Total | 3,738.2 | | 3,605.3 | |
| - Administrative Expenses (Regular) | 3,142.7 | | 3,117.3 | 3/ |
| - Program Integrity | 244.0 | | 244.0 | |
| - Additional Program Integrity | 351.4 | | 243.9 | |
| Beneficiary Services | 0.0 | | 42.0 | 4/ |
| Research and Demonstration (R&D) Projects | 8.0 | | 0.0 | |
| Research and Demonstration (R&D) Projects (FY 13 / FY 14) | 0.0 | | 17.0 | 3/ |
| Total Appropriations (P.L. 112-74 and P.L. 113-6) | $57,046.2 | | $56,964.2 | |
| Carryover of Unobligated FY 2012 Balances and Recoveries: | | | | |
| - Benefits | $666.3 | | $666.3 | |
| - Administrative Expenses | 8.4 | | 8.4 | |
| - Beneficiary Services | 42.0 | | 0.0 | 5/ |
| - R&D | 32.0 | | 21.5 | 6/ |
| Total, Carryover of Unobligated FY 2012 Balances and Actual Recoveries | $748.7 | | $696.2 | |
| Total SSI Funds Available for FY 2013 | $57,794.9 | | $57,660.4 | |

1/ Requested amount is $2,000. Apportioned amount is $4,000.

2/ Includes $47,554.0M in annual appropriations and $5,746.0M in indefinite authority, as allowed for in P.L. 113-6.

3/ Includes the .2% across-the-board (ATB) decrease per Budget Data Request (BDR) 13-19.

4/ An additional $5M is available for apportionment in FY 2014.

5/ An additional $112.2M in carryover is available for apportionment for FY 2014.

6/ An additional $10.5M is reserved for carryover use in FY 2014.

Note: Numbers may not add due to rounding.

| Limitation on Administrative Expenses (LAE) | FY 2013 of the FY 2014 President's Budget | | FY 2013 Available Funding | |
|---|---|---|---|---|
| Regular LAE | $10,597.6 | 1/ | $10,139.5 | 1/ 2/ 3/ |
| PI-CDRs/Redets | 273.0 | | 272.0 | 2/ |
| PI-Additional CDRs/Redets | 485.0 | | 470.6 | 2/ |
| SSA Advisory Board | 2.2 | | 2.0 | 2/ 3/ |
| SSI User Fees | 161.7 | | 160.4 | 3/ |
| Non-Attorney Certification User Fee | 1.0 | | 0.9 | 2/ 3/ |
| Subtotal Appropriated (P.L. 113-6) | 11,520.4 | | 11,045.6 | |
| Program Integrity Administrative Expenses (PIAE) | 266.0 | | | |
| Total Appropriated (P.L. 113-6) | $11,786.4 | | $11,045.6 | |
| Hurricane Sandy Relief (P.L. 113-2) | $0.0 | | $2.0 | |
| American Recovery and Reinvestment Act (P.L. 111-5): | | | | |
| NSC Replacement | $140.0 | | $140.0 | |
| Medicare Improvement for Patients and Providers Act (P.L. 110-275): | | | | |
| Low Income Subsidy | $6.1 | | $12.2 | |
| Other Available Funds: | | | | |
| Automation Investment Fund (AIF) (No-Year) | | | | |
| - Carryover/Recoveries from Unobligated AIF Balances | $0.0 | | $0.1 | |
| Information Technology Systems (ITS) (No-Year) | | | | |
| - Carryover/Recoveries from Unobligated ITS Balances | $147.9 | | $161.3 | |
| Carryover/Recoveries of Other Unobligated Balances | $45.6 | | $30.1 | 4/ |
| **Office of the Inspector General, SSA** | | | | |
| Federal Funds | $28.8 | | $27.4 | 2/ 3/ |
| Trust Funds | 74.1 | | 69.6 | 2/ 3/ |
| Total Appropriated (P.L. 113-6) | $102.9 | | $96.9 | |

| Estimated Outlays: | President's Budget | Current Estimate |
|---|---|---|
| **PTF** | $20 | $21 |
| **LAE** | $11,704 | $11,020 |
| **SSI** | $58,209 | $57,082 |
| **OIG** | $103 | $97 |

1/ Excludes funding for PI (CDRs and Redeterminations).

2/ Includes 5% Sequestration reduction from the March 1, 2013 Office of Management and Budget Report to Congress on Sequestration.

3/ Includes the .2% ATB decrease per BDR 13-19.

4/ Includes authority from prior years carried over for the following purposes: $30M for operation and maintenance of specific facilities delegated to SSA by the General Services Administration, $141K for construction, and $26K for Disaster Relief.

Note: Numbers may not add due to rounding.

## Perfomance Table - Workload and Outcome Measures

| | FY 2012 | | FY 2013 | |
|---|---|---|---|---|
| | Enacted Appropriation | Actual | FY 2013 of FY 2014 President's Budget | Enacted |
| **SELECTED OUTCOME MEASURES** | | | | |
| Retirement and Survivors Claims Completed (thousands) | 4,918 | 5,001 | 5,269 | 5,269 |
| Initial Disability Claims Completed (thousands) | 3,173 | 3,207 | 2,970 | 2,962 |
| Reconsiderations Completed (thousands) | 787 | 809 | 803 | 787 |
| SSA Hearings Completed (thousands) | 875 | 820 | 836 | 793 |
| 800-Number Transactions Handled (millions) | 63 | 57 | 52 | 55 |
| Average Speed of Answer (ASA) (seconds) | 285 | 294 | 455 | 535 |
| Agent Busy Rate (ABR) | 6% | 5% | 10% | 16% |
| Social Security Numbers Issued (millions) | 17 | 17 | 16 | 16 |
| Annual Earnings Items Completed (millions) | 242 | 245 | 250 | 250 |
| Social Security Statements Issued (millions) 1/ | 14 | 24 | 9 | 0 |
| **SELECTED WORKLOAD MEASURES** | | | | |
| Initial Disability Claims Pending (thousands) | 861 | 708 | 796 | 804 |
| Reconsiderations Pending (thousands) | 184 | 198 | 179 | 220 |
| SSA Hearings Pending (thousands) | 746 | 817 | 816 | 844 |
| Average Processing Time for Initial Disability Claims (days) | 111 | 102 | 107 | 109 |
| September Average Processing Time for Hearings Decisions (days) | 321 | 362 | 380 | 389 |
| Disability Determination Services Production per Workyear | 322 | 324 | 318 | 320 |
| Office of Disability Adjudication and Review Production per Workyear | 114 | 111 | 112 | 111 |
| Disability Determination Services Accuracy Rate | 97% | 97% | 97% | 97% |
| **SELECTED PROGRAM INTEGRITY MEASURES** | | | | |
| Periodic Continuing Disability Reviews (CDRs) Completed (thousands) | 1,285 | 1,404 | 1,550 | 1,322 |
| Periodic Medical CDRs (included above) | 435 | 443 | 650 | 422 |
| Supplemental Security Income (SSI) Non-Disability Redeterminations Processed (thousands) | 2,622 | 2,624 | 2,622 | 2,622 |

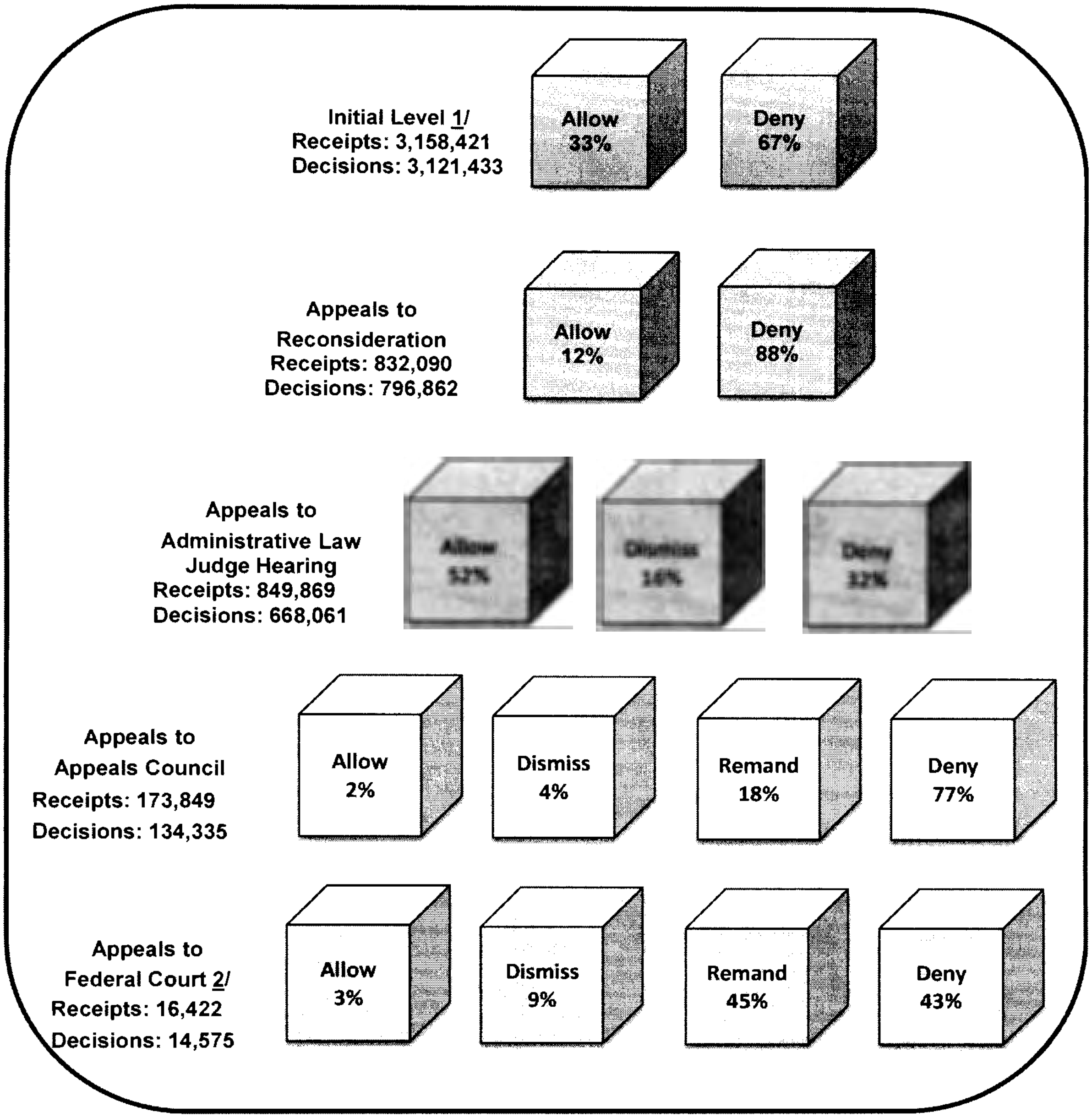
1/ Excludes online statements

## Extramural Research & Demonstration Budget
**(in thousands)**

| | FY 2013 Available Funding |
|---|---|
| **Deliver Quality Disability and Services** | **$24,112** |
| Compassionate Allowances | $1,083 |
| Disability Determination Process-Small Grants | $150 |
| Disability Research Consortium | $3,800 |
| Listings of Impairments | $800 |
| Occupational Information Systems | $10,932 |
| Other Research | $1,044 |
| SSI Childhood Disability | $2,500 |
| SSI PROMISE: | $2,500 1/ |
| SSI PROMISE - SSA Share | $1,000 |
| SSI PROMISE - Reimbursable with Dept. of ED. | $1,500 |
| WIPA Web-Based Data Collection | $0 |
| Youth Transition Demo (YTD) | $1,303 |
| **Provide Quality Services to the Public** | |
| Medicare Outreach | **$1,744** |
| **Preserve the Public's Trust in Our Programs** | **$14,100** |
| American Life Panel (ALP) | $1,000 |
| CENSUS Surveys | $1,250 |
| Collaboration with Other FLEC Members | $910 |
| Health & Retirement Study | $2,700 |
| Health & Retirement Study Supplement | $1,500 |
| Modernization of Statistical Table Processes | $1,350 |
| Policy Evaluation and Other Data Development | $290 |
| Programmatic Development | $100 |
| Retirement Income Modeling | $0 |
| Retirement Research Consortium | $5,000 |
| **Total Obligations** | **$39,956** 1/ |
| **Total Obligations - SSA Share** | **$38,456** |
| **Total Obligations - Reimbursable** | **$1,500** |

1/ Includes $1.5M in reimbursable authority from the Department of Education

# Fiscal Year 2012 Workload Data: Disability Decisions*




*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2012, regardless of the year in which the initial claim was filed, and regardless of whether the claimant ever received benefits (in a small number of cases with a favorable disability decision benefits are subsequently denied because the claimant does not meet other eligibility requirements.) Does not include claims where an eligibility determination was reached without a determination of disability. If a determination or appeals decision was made on Title II and Title XVI claims for the same person, the results are treated as one concurrent decision.

1/ About 24% of initial level denials are issued in States that use the Disability Prototype process, which eliminates the reconsideration step of the appeals process. The first level of appeal for these cases is a hearing before an Administrative Law Judge.

2/ Federal Court data includes appeals of Continuing Disability Reviews.

Note: Due to rounding, data may not always total 100%.

Prepared by: SSA, ODPMI (Office of Disability Program Management Information)
Date Prepared: November 26, 2012, Office of Budget edits January 30, 2013
Data Sources: A) Initial and Reconsideration Data: SSA State Agency Operations Report; B) Administrative Law Judge and Appeals Council data: SSA Office of Disability Adjudication and Review (ODAR); and C) Federal Court data: SSA Office of General Counsel

# National Support Center Project Milestones

| | |
|---|---|
| Aug 2010 | Program of Requirements (POR) Completed |
| Feb 2011 | Recommend Site |
| Aug 2011 | Purchase Site |
| Jan 2012 | Award Design-Build Construction |
| Jul 2014 | Complete Construction |
| Oct 2014 | Complete Commissioning / Contingency |
| Mar 2015 | Begin Transition of Information Technology Services |
| Aug 2016 | Complete Transition of Information Technology Services |

**Historical Staff-on-Duty by Major SSA Component**

(Includes full time, part time, and temporary employees)

| Major Components | FY 2011 Actual | FY 2012 Actual |
|---|---|---|
| Field Offices | 29,652 | 28,790 |
| TeleService Centers | 4,802 | 4,535 |
| Processing Centers | 11,216 | 10,649 |
| Regional Offices | 1,801 | 1,663 |
| **Operations Subtotal** | **47,471** | **45,637** |
| Office of Disability Adjudication and Review | 9,963 | 10,041 |
| Office of Systems | 3,384 | 3,345 |
| Office of Quality Performance | 1,271 | 1,181 |
| Other Headquarters Components | 4,784 | 4,703 |
| **SSA Total** | **66,873** | **64,907** |

## KEY ASSUMPTIONS AND COST DRIVERS

We continue to do everything we can to reduce our costs. However, as our beneficiary population rises each year, our costs continue to rise as well. While some of our programs have discrete cost-drivers associated with them, the majority of cost-drivers affect all programs. For example, State furloughs of disability determination services (DDS) employees influence the Supplemental Security Income and Disability Insurance programs, while our aging data center affects all of our programs.

In light of these difficulties, we formulated this budget to address the following challenges:

- High demand for services due to the aging population and the continued fallout from the economic downturn on our disability and hearings workloads, see http://www.socialsecurity.gov/OACT/STATS/OASDIbenies.html;
- Increase in the Hearings backlog;
- Complex disability process, see http://www.socialsecurity.gov/pgm/disability.htm;
- Growth in non-traditional workloads (e.g., immigration, Medicare, and verifications for other programs);
- Reducing improper payments and completing cost-effective program integrity work, see http://www.socialsecurity.gov/improperpayments/;
- Finding additional inefficiencies and streamlining business processes;
- Modernizing computer systems, see http://www.recovery.gov/transparency/agency/reporting/agency_reporting5.aspx?agency_code=28;
- Increase in Cyber threats;
- Rising infrastructure costs; and
- State furloughs of DDS employees.

SOCIAL SECURITY

The Commissioner

February 7, 2013

The Honorable Barbara Mikulski
Chairwoman, Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Madam Chairwoman:

Thank you for the opportunity to discuss the effects of sequestration on the Social Security Administration (SSA). It is important to understand that sequestration would further exacerbate the negative effects of over two straight years of funding levels nearly a billion dollars below the President's Budget requests. These funding levels have led to significant increases in our 800-number answer time and derailed progress we were making at eliminating our hearing backlog. As Congress considers the impact of sequestration and our future funding levels, it is important to remember that none of our work is discretionary; we must complete all benefit applications we receive. The longer it takes us to get to our incoming work, the more expensive it is to complete, and the greater the burden on the public. Moreover, if we do not have enough resources to keep our records accurate, it causes improper payments.

What has helped us endure lean budget years is our reengineered business processes and online suite of services without which our backlogs and wait times would be significantly worse. However, the core of our work is–and will likely always be–people based. Even with productivity increases over the last five years, if we do not have enough staff to keep up or if furloughs prevent them from working, the public can expect to wait longer in our offices, on the phone, and for disability decisions at all levels.

If sequestration occurs, we estimate that visitors to our field offices could wait almost 30 minutes to see a representative, and callers to our 800-number would wait almost 10 minutes for us to answer. The pending levels of initial disability claims would rise by over 140,000 claims, and on average, applicants will have to wait about two weeks longer for a decision on an initial disability claim and nearly a month longer for a disability hearing decision.

At this stage of our planning, sequestration would result in the loss (i.e. attrition without replacement) of over 5,000 more employees in FY 2013, the termination of over 1,500 temporary employees and reemployed annuitants, and the elimination of overtime except for life, safety, and health concerns. We would be forced to reduce cost-effective program integrity work (continuing disability reviews (CDRs) and Supplemental Security Income (SSI) redeterminations). Please note that every dollar spent on medical CDRs will yield an estimated $9 in program savings over 10 years, and every dollar spent on SSI redeterminations will yield an estimated $6 in program savings over 10 years.

We would operate with minimum non-personnel spending, only funding the most-essential costs such as mandatory contracts and rent on our buildings. As a result, we might reduce contractor support. Sequestration would significantly reduce our Information Technology (IT) funding. We would use our limited funds primarily to sustain our IT infrastructure. We would not have sufficient funds to invest in the type of automation that makes us substantially more efficient each year.

We would try to prioritize our reductions to avoid furloughs that would further harm services and program integrity efforts; however, the possibility of furloughs remains uncertain at this time. The value of a furlough day is about $25 million. With each furlough day, we would not be able to complete roughly 20,000 retirement claims, over 10,000 disability claims, and 3,000 hearings. It would increase the backlog of initial disability claims and erode the significant progress we have made in the hearings backlog. The wait for service in our field offices and on our 800-number network would further increase.

Sequestration would affect State and local economies as well because we must cut the administrative funding we provide State disability determination services to make disability determinations for us. In addition, growing backlogs would delay claimants' first checks, which delays money going into State and local economies.

I hope this information is helpful. If you have any questions, please contact me or have your staff contact Bonnie Kind, our Associate Commissioner for Budget, at (410) 965-3501.

Sincerely,

Michael J. Astrue

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 27, 2013

M-13-05

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Danny Werfel
Controller

SUBJECT: Agency Responsibilities for Implementation of Potential Joint Committee Sequestration

Unless Congress acts to amend current law, the President is required to issue a sequestration order on March 1, 2013, canceling $85 billion in budgetary resources across the Federal Government. Because these cuts must be achieved over the remaining seven months of the fiscal year, the Office of Management and Budget (OMB) estimates that the effective percentage reductions are approximately 9 percent for nondefense programs and 13 percent for defense programs. These reductions will result in significant and harmful impacts to national security and domestic priorities.

The President has been clear that sequestration is bad policy that was never intended to be implemented, and the Administration remains hopeful that Congress will act to avoid it through an agreement on balanced deficit reduction. However, because legislation may not be enacted to avoid sequestration before the current deadline of March 1, 2013, executive departments and agencies (agencies) with sequestrable accounts have been engaged in planning activities to operate at the lower, post-sequestration funding levels should it be necessary.

This guidance builds on prior communications with agencies about the implementation of sequestration, and addresses questions that have been raised as to certain categories of planning activities.

**Agency Planning Activities**

OMB Memorandum 13-03, *Planning for Uncertainty with Respect to Fiscal Year 2013 Budgetary Resources*, directed agencies to begin planning activities to operate with reduced budgetary resources in the event that sequestration occurs. Agencies' planning efforts must be guided by the principle of protecting the agency's mission to serve the public to the greatest extent practicable. Planning efforts should be done with sufficient detail and clarity to determine the specific actions that will be taken to operate under the lower level of budgetary resources required by sequestration. For example, agencies should identify any major contracts that they plan to cancel, re-scope or delay as well as any grants that they plan to cancel, delay, or for which they plan to change the payment amount. Similarly, agencies should identify the number of employees who will be furloughed, the length of expected furloughs, the timing of when furlough notices will be issued, and the manner in which furloughs will be administered. In some cases, agencies may not be able to ascertain all of this information prior to March 1. However, agencies should continue to engage in intense and thorough planning activities to determine all specific actions that will be taken as soon as practicable.

**Communications**

To the extent permitted by law, agencies should inform their various partners and stakeholders in a timely and complete manner of the impact of sequestration so that third parties are able to adjust their operations and plans as appropriate. Accordingly, at this time, agencies should be actively and continuously communicating with affected stakeholders—including States, localities, tribal governments, Federal contractors, Federal grant recipients, and Federal employees—regarding elements of the agency's planning that have a direct impact on these groups. These communications will vary greatly by agency and by stakeholder, but agencies should be as specific as possible in order to provide sufficient detail to be helpful to these stakeholders in understanding the implications of the reduced budget authority resulting from sequestration.

With regard to any planned personnel actions to reduce Federal civilian workforce costs, consistent with Section 3(a)(ii) of Executive Order 13522, agencies must allow employees' exclusive representatives to have pre-decisional involvement in these matters to the fullest extent practicable and permitted under the law. In particular, in instances where agencies are considering potential furloughs, agencies have a duty to notify their exclusive representatives and, upon request, bargain over any negotiable impact and implementation proposals the union may submit, unless the matter of furloughs is already covered by a collective bargaining agreement. Agencies should ensure that they are fully aware of and in compliance with any and all collective bargaining requirements, and should consult with their General Counsel or appropriate labor relations office for questions regarding these requirements and appropriate interaction with employees and unions on these matters.

**Acquisition**

Due to the Government's large acquisition footprint, sequestration will inevitably affect agency contracting activities and require agencies to reduce contracting costs where appropriate. As with all actions taken as a result of sequestration, agencies should ensure that any contract actions are both cost-effective and minimize negative impact on the agency's mission to the extent practicable.

Program, acquisition, financial/budget management, information technology, and legal personnel should work together to make determinations regarding contracts in light of sequestration. As a general matter, agencies should only enter into new contracts or exercise options when they support high-priority initiatives or where failure to do so would expose the government to significantly greater costs in the future. Agencies may also consider de-scoping or terminating for convenience contracts that are no longer affordable within the funds available for Fiscal Year 2013, should no other options exist to reduce contracting costs in these instances. Should such steps be necessary, agencies must evaluate the associated costs and benefits of such actions, and appropriately inform and negotiate with contractors. Finally, agencies should take all appropriate steps to minimize to the extent practicable the impact on small businesses of reduced contracting activities.

**Financial Assistance**

Given the widespread use of grants, loans and other Federal financial assistance to non-federal entities (e.g., State, local and tribal governments, non-profit organizations, and companies), sequestration will impact the funding of these activities.

As a general matter, agencies should ensure that any new financial assistance obligations or funding increases under existing agreements are consistent with the need to protect the agency's mission at the post-sequestration level. In light of sequestration, agencies may also consider delaying awarding of new financial assistance obligations, reducing levels of continued funding, and renegotiating or reducing the current scope of assistance. Agencies may be forced to reduce the level of assistance provided through formula funds or block grants. Should any such steps be necessary, agencies should evaluate the associated costs and benefits of such actions and appropriately engage and inform recipient(s) as early as possible.

**Increased Scrutiny of Certain Activities**

In determining the appropriate manner to achieve funding reductions, agency heads must also ensure that their agencies have risk management strategies and internal controls in place that provide heightened scrutiny of certain types of activities funded from sequestered accounts. To the extent these accounts remain at the post-sequestration funding level, increased scrutiny should apply to:

- hiring new personnel;[1]
- issuing discretionary monetary awards to employees, which should occur only if legally required until further notice; and
- incurring obligations for new training, conferences, and travel (including agency-paid travel for non-agency personnel).

In light of the reduced budgetary resources available due to sequestration, expending funds on these activities at this time would in many circumstances not be the most effective way to protect agency mission to the extent practicable. Therefore, agency leadership should review processes and controls around these activities, and ensure that these activities are conducted only

[1] Agencies must also ensure that appropriate controls are in place to prevent the increased use of contractors to perform work due to any restrictions on hiring. Agencies should bear in mind the statutory restrictions contained in 10 U.S.C. 2461 and 41 U.S.C. 1710 on the conversion of functions from performance by Federal employees to performance by contractors.

to the extent they are the most cost-effective way to maintain critical agency mission operations under sequestration.

Please contact your OMB Resource Management Office (RMO) if you have any questions about or need assistance with this guidance.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 1, 2013

OMB BULLETIN NO. 12-02, Supplement 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Apportionment of the Continuing Resolution(s) for Fiscal Year 2013

Purpose. This supplement revises Bulletin 12-02 ("Bulletin") to reflect reductions of budgetary resources pursuant to the *Sequestration Order for Fiscal Year 2013 Pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as Amended,* issued by the President today, and the accompanying *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (collectively, the "Sequestration Order"). Consistent with this amendment to Bulletin 12-02, OMB Memorandum M-13-03 (January 14, 2013), OMB Memorandum M-13-05 (February 27, 2013), and OMB Memorandum M-13-06 (March 1, 2013), agencies should take such steps as are necessary and appropriate to implement sequestration. In so doing, agencies must avoid actions that would indicate a need for deficiency or supplemental appropriations or otherwise be inconsistent with applicable law.

Action. Agencies should replace sections 1 and 6 in the Bulletin and insert a new section 9, as follows:

1. Purpose and Background. Public Law 112-175 provides continuing appropriations for the period October 1, 2012, through March 27, 2013. Section 110 of Public Law 112-175 requires that the joint resolution be implemented so that only the most limited funding actions shall be taken in order to provide for continuation of projects and activities, and section 109 requires that programs restrict funding actions so as not to impinge on the final funding prerogatives of the Congress. I am automatically apportioning amounts provided by sections 101(a) and 101(b) of this continuing resolution (CR) as specified in section 3. The amounts provided by the 0.612 percent across-the-board (ATB) increase in section 101(c) will be subject to the procedures for apportioning that funding as outlined in section 4. This Bulletin supplements instructions for apportionment of CRs in OMB Circular No. A-11, sections 120 and 123.

Unless and until this Bulletin is further amended, agencies should engage in spending and operations consistent with the current draft of their plan for operating under the Joint Committee sequestration developed pursuant to OMB Memorandum M-13-03.

This Bulletin will be updated for any extensions of the CR.

6. Programs under Section 111. Funds for appropriated entitlements and other mandatory payments, and activities under the Food and Nutrition Act of 2008, are automatically apportioned amounts as needed to carry out programs at a rate to maintain program levels under

current law, i.e., at the FY 2013 level. However, this automatic apportionment does not apply to programs with more complex funding structures. Agencies should contact their RMO representatives to determine if their account is automatically apportioned or if a written apportionment is required. This automatic apportionment also does not apply to appropriated entitlements or other mandatory payments for which budgetary resources have been reduced pursuant to the Sequestration Order. Agencies should promptly submit written apportionments to their RMO representatives to request funds for those accounts during the period of the CR.

With regard to the associated administrative expenses for those programs, section 111 does not apply. The associated administrative expenses are automatically apportioned at the reduced rate pursuant to section 3 of this Bulletin.

9. Prior Written Apportionments. Unless otherwise required by your RMO, agencies do not need to request new written apportionments for prior written apportionments of CR funds, because such apportionments (including any footnotes or other limitations on programs in such apportionments) continue in effect. However, as with the automatically apportioned funds, agencies should engage in spending and operations consistent with the current draft of their plan for operating under the Joint Committee sequestration developed pursuant to OMB Memorandum M-13-03.

Discretionary Advance Appropriations, Mandatory Appropriations, and Balances of Prior-Year Budget Authority. Some accounts with discretionary advance appropriations, mandatory funding and accounts in function 050 with unexpired, unobligated carryover balances are required to reduce budgetary resources pursuant to the Sequestration Order. This includes accounts with permanent indefinite appropriations. Agencies shall promptly submit new written apportionment requests for such accounts reflecting those reductions.

Contact. Questions regarding this bulletin should be directed to the agency's OMB representative.

Jeffrey D. Zients
Deputy Director for Management

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 1, 2013

M-13-06

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Jeffrey D. Zients
Deputy Director for Management

SUBJECT: Issuance of the Sequestration Order Pursuant To Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as Amended

This memorandum is to inform executive departments and agencies (agencies) that the President has issued a sequestration order (order) in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. 901a. The order requires that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget (OMB) in its report to Congress of March 1, 2013, entitled *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (sequestration report).

Due to the failure of the Joint Select Committee on Deficit Reduction, the President was required by law to issue an order canceling $85 billion in budgetary resources across the Federal Government for the remainder of Fiscal Year (FY) 2013. OMB has calculated that, over the course of the fiscal year, the order requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt nondefense discretionary funding. The sequestration also requires reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs. The sequestration report provides calculations of the amounts and percentages by which various budgetary resources are required to be reduced, and a listing of the reductions required for each non-exempt budget account.

Agencies shall apply the same percentage reduction to all programs, projects, and activities within a budget account, as required by section 256(k)(2) of BBEDCA, 2 U.S.C. 906(k)(2). Agencies should operate in a manner that is consistent with guidance provided by OMB in Memorandum 13-03, *Planning for Uncertainty with Respect to Fiscal Year 2013 Budgetary Resources* and Memorandum 13-05, *Agency Responsibilities for Implementation of Potential Joint Committee Sequestration.*

**Social Security Administration Sequestration Timeline Report**

**Weeks of March 11-21, 2013**

**Senior Accountable Official:** James A. Kissko
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**Last Week**

During the week of March 4, we lost approximately 80 Federal and State front-line employees, whom we are unable to replace. With each front-line employee we lose, our customers will experience longer service delays, including delays in disability decisions.

**Week of March 11, 2013**

Washington Post reporter Steve Vogel contacted us regarding a story he is developing on how sequestration will affect the use of overtime by Federal agencies. We provided several examples describing increased wait times in field offices, reduction in our program integrity activities, and additional delays in eligibility determination decisions.

**Week of March 18, 2013**

No specific actions scheduled at this time – this is subject to change.

# Social Security Administration Sequestration Timeline Report

## Week of March 18-22, 2013 and March 25-29, 2013

**Senior Accountable Official:** James A. Kissko
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### Week of March 11 - 15

We lost 20 Federal front-line employees through attrition. With these additional losses, we have since March 1st lost 100 Federal and State employees, who we are unable to replace. The 20 employees would have processed:

- 9,000 retirement claims, or
- 8,500 Supplemental Security Income (SSI) Redeterminations of eligibility, or
- 10,000 SSI Aged Claims; and,
- 28,000 SSI overpayment decisions.

### Week of March 18, 2013

The American Federation of Government Employees union held lunchtime rallies in 23 locations around the country protesting sequestration.

### Week of March 25, 2013

We have no specific actions scheduled at this time.

## Social Security Administration Sequestration Timeline

## Weeks of March 25-29 and April 1-5, 2013

**Senior Accountable Official:** James A. Kissko
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### Week of March 25 - Media Outreach

On March 25 and March 27, we received three media inquiries. A Washington Post reporter and two reporters from the Baltimore Sun posed questions about quantifiable impacts of sequestration. Responses included numeric service consequences of losing 100 employees since March 1st and the impact of a reduction in overtime due to sequestration. Examples included increased wait times in field offices, reduction in our program integrity activities, and additional delays in eligibility determination decisions.

### Week of March 25 - Lost Employees

On March 28, we determined that, during the week of March 22 through 25, we lost an additional 45 Federal and State front-line employees through attrition. Therefore, since March 1st we have lost a total of 145 Federal and State employees who we are unable to replace.

The 21 State employees would have processed:

- 6,300 case reviews.

The 24 Federal front-line would have processed:

- 11,000 retirement claims, or
- 10,500 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 13,000 SSI Aged Claims, or
- 34,500 SSI overpayment decisions

### Week of April 1-5

We have no specific actions scheduled at this time.

**Social Security Administration Sequestration Timeline**

**Weeks of April 1-5 and April 8-12, 2013**

**Senior Accountable Official:** James A. Kissko
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**Week of April 1-5, 2013**

During the week of March 25 through 29, we lost a total of 26 front-line employees (7 Federal and 19 State) through attrition. As a result, since March 1, we lost a total of 171 employees, and we are unable to replace them.

The 7 Federal front-line employees would have processed:

- 3,000 retirement claims, or
- 3,000 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 3,500 SSI Aged Claims, or
- 10,000 SSI overpayment decisions.

The 19 State employees would have processed:

- 11,400 case reviews.

**Week of April 8-12, 2013**

We have no specific actions scheduled at this time.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 4, 2013

M-13-11

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Danny Werfel
Controller

SUBJECT: Ongoing Implementation of the Joint Committee Sequestration

Section 251A of the Balanced Budget and Emergency Deficit Control Act (BBEDCA), as amended, on March 1, 2013, required the President to issue a sequestration order canceling $85 billion in budgetary resources across the Federal Government for the remainder of fiscal year (FY) 2013. This action was required due to the failure of the Joint Select Committee on Deficit Reduction to propose, and the Congress to enact, legislation to reduce the deficit by $1.2 trillion.

The Administration continues to urge Congress to takc action to eliminate the Joint Committee sequestration and restore cancelled budgetary resources as part of a balanced agreement on deficit reduction. However, until Congress takes such action, executive departments and agencies (agencies) must continue to implement the reductions required by sequestration.

This memorandum provides further guidance on specific issues regarding the management and implementation of sequestration that the Officc of Management and Budget (OMB) preliminarily addressed in prior memoranda. OMB previously issued guidance on the appropriate implementation of sequestration in Memorandum 13-03, *Planning for Uncertainty with Respect to Fiscal Year 2013 Budgetary Resources*; Memorandum 13-05, *Agency Responsibilities for Implementation of Potential Joint Committee Sequestration*; and Memorandum 13-06, *Issuance of the Sequestration Order Pursuant To Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as Amended.*

**Appropriate Use of Existing Reprogramming and Transfer Authority**

Sequestration provides an agency with little discretion in deciding where and how to reduce spending. All non-exempt budget accounts in a given spending category must be reduced by a uniform percentage, and the same percentage reduction must be applied to all programs, projects, and activities (PPAs) within a budget account. However, depending on an agency's account structure and any existing flexibilities provided by law, some agencies may have a limited ability to realign funds to protect mission priorities. As directed by Memorandum 13-03, in allocating reduced budgetary resources due to sequestration, agencies should generally "use any available flexibility to reduce operational risks and minimize impacts on the agency's core mission in service of the American people." Agencies should also "take into account funding flexibilities, including the availability of reprogramming and transfer authority."

Consistent with this guidance, agencies with reprogramming or transfer authority should continue to examine whether the use of these authorities would allow the agency to minimize the negative impact of sequestration on core mission priorities. In doing so, agencies must consider the long-term mission, goals, and operations of the agency and not just short-term needs. For example, agencies should avoid taking steps that would unduly compromise the ability to perform needed deferred maintenance on facilities, invest in critical operational functions and support, conduct program integrity and fraud mitigation activities, and pursue information technology or other infrastructure investments that are essential to support the long-term execution of the agency's mission. Similarly, while agencies with carryover balances or reserve funds should consider appropriate use of these funds to maintain core mission functions in the short term, it is important not to use these funds in a manner that would leave the agency vulnerable to future risks due to a potential lack of available funds in future years.

Agencies should consult with their OMB Resource Management Office (RMO) to assess options for utilizing existing authorities and ensure that any proposed actions appropriately balance short-term and long-term mission priorities. Agencies must also consult closely with their OMB RMO on any proposed actions that would reduce carryover balances or reserve funds below historical levels.

**Funding for Agency Inspectors General**

Funds for agency Inspectors General (IGs) from non-exempt accounts are subject to sequestration under the March 1, 2013 sequestration order. The head of each agency has the final responsibility for implementing the reductions required by sequestration. Upon making such determinations, IGs have the final responsibility for determining how their authorized budgets will be allocated.

To the extent an agency has discretion in implementing reductions to IG funding due to sequestration, agency heads should be mindful of the independence of the Office of Inspector General and should consult with the IG on a pre-decisional basis on matters that may impact IG funding. In particular, agencies must remain cognizant of the provisions in section 6 of the Inspector General Act of 1978, as amended, which outline the need for IGs to maintain the appropriate resources and services necessary to perform their statutory duties and describe the manner in which IG budgets are requested.

In cases where IG funds are not intermingled with other agency funds and exist as their own PPA, the IG should be provided full discretion to determine how to implement the reductions required by sequestration. In cases where IG funds are intermingled with other agency funds within a PPA, while the specific amount of reductions will vary by agency and account, a benchmark that should be considered by the head of the agency—in consultation with the IG—is to apply a percentage reduction to IG funds that is same as the average percentage reduction for all other funds within the PPA. Upon determining the amount of the reduction for

IG funds in such cases, the agency head should then defer as appropriate to the IG in determining how the IG manages the reductions.

Agencies should consult with their OMB RMO throughout this process as well.

**Discretionary Monetary Awards**

OMB Memorandum 13-05 directs that discretionary monetary awards should not be issued while sequestration is in place, unless issuance of such awards is legally required. Discretionary monetary awards include annual performance awards, group awards, and special act cash awards, which comprise a sizeable majority of awards and incentives provided by the Federal Government to employees. Until further notice, agencies should not issue such monetary awards from sequestered accounts unless agency counsel determines the awards are legally required. Legal requirements include compliance with provisions in collective bargaining agreements governing awards.[1]

Consistent with past guidance, certain types of incentives are not considered discretionary monetary awards for the purposes of this policy. These include quality step increases (QSIs); travel incentives recognizing employee savings on official travel; foreign language awards for mission-critical language needs; recruitment, retention, and relocation incentives (3Rs); student loan repayments; and time-off awards. While these items are permitted, in light of current budgetary constraints, they should be used only on a highly limited basis and in circumstances where they are necessary and critical to maintaining the agency's mission. In addition, consistent with the policy set forth in the *Guidance on Awards for Fiscal Years 2011 and 2012*, jointly issued by the Office of Personnel Management (OPM) and OMB on June 10, 2011, spending for QSIs and 3Rs should not exceed the level of spending on such incentives for fiscal year 2010.

With respect to Federal political appointees, agencies should continue to follow the policy set forth in the August 3, 2010 Presidential Memorandum, *Freeze on Discretionary Awards, Bonuses, and Similar Payments for Federal Political Appointees*. OPM previously issued guidance on implementation of this memorandum.

**Reducing Burden for State, Local, and Tribal Governments**

To the extent agencies provide grants or other forms of financial assistance to States, localities, or tribal governments, agencies should consider if there are ways to help such entities mitigate the effects of funding reductions due to sequestration through reducing administrative burdens or other standard administrative processes, consistent with applicable legal requirements associated with the funds provided. In doing so, agencies should consult closely with their State, local, and tribal partners to determine whether such steps enable public funds to be used in a more cost-effective manner.

[1] Consistent with legal requirements, agencies may consider engaging in discussions with employees' exclusive representatives to explore revisions to such provisions in existing collective bargaining agreements, in recognition of this guidance.

## Social Security Administration Sequestration Timeline

## Weeks of April 8-12 and April 15-19, 2013

**Senior Accountable Official:** James A. Kissko
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### Week of April 8-12, 2013 – Lost Employees

During the week of April 1 through 5, we lost a total of 104 front-line employees (74 Federal and 30 State) through attrition. Since March 1, we have lost a total of 275 employees, whom we are unable to replace.

The 74 Federal front-line employees would have processed:

- 31,500 retirement claims, or
- 30,000 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 37,000 SSI aged claims, or
- 99,000 SSI overpayment decisions.

The 30 State employees would have processed:

- 8,250[1] case reviews.

**To date the effect of the 275 employees we lost is:**

The 165 Federal front-line employees would have processed:

- 73,060 retirement claims, or
- 69,400 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 84,380 SSI aged claims, or
- 229,500 SSI overpayment decisions.

The 110 State employees would have processed:

- 32,740[1] case reviews.

[1] Previous reports reflected the number of cases that State employees are unable to process through the period March 1, 2013 – February 28, 2014. We have modified the report to only include cases that State employees are unable to process through the end of the fiscal year 2013 (March 1, 2013 – September 30, 2013).

## Impact of Travel Restrictions

Travel restrictions adversely affect our operational and oversight activities. We have reduced the regional disability program administrators' oversight interviews and reviews of the State disability determination service (DDS) offices. DPA visits are necessary to ensure proper oversight of the DDSs and in order for us to conduct ongoing data-exchange compliance reviews, and face-to-face training for difficult technical subject areas.

## Week of April 15-19, 2013

We have no specific actions scheduled at this time.

**Social Security Administration Sequestration Timeline**

**Weeks of April 15-19 and April 22-26, 2013**

**Senior Accountable Official:** James A. Kissko
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**Week of April 15-19, 2013 – Lost Employees**

During the week of April 8 through 12, we lost a total of 29 front-line employees (15 Federal and 14 State) through attrition. Since March 1, we have lost a total of 304 employees, whom we are unable to replace.

The 15 Federal front-line employees would have processed through 9/30/13:

- 5,800 retirement claims, or
- 5,400 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 6,500 SSI aged claims, or
- 18,000 SSI overpayment decisions.

The 14 State employees would have processed through 9/30/13:

- 3,700 case reviews.

**To date, the effect of the 304 employees we lost is:**

The 180 Federal front-line employees would have processed through 9/30/13:

- 76,300 retirement claims, or
- 74,800 SSI redeterminations of eligibility, or
- 85,800 SSI aged claims, or
- 238,000 SSI overpayment decisions.

The 124 State employees would have processed through 9/30/13:

- 36,400 case reviews.

**Week of April 22-26, 2013**

We have no specific actions scheduled at this time.

# Social Security Administration Sequestration Timeline

## Weeks of April 22-26 and April 29-May 3, 2013

**Senior Accountable Official:** James A. Kissko
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## Week of April 22-26, 2013 – Lost Employees

During the week of April 15 through 19, we lost 36 employees (24 Federal and 12 State) through attrition. As a result, since March 1, we have lost 340 employees, and we are unable to replace them.

The 24 Federal front-line employees would have processed through 9/30/13:

- 8,800 retirement claims, or
- 8,300 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 9,900 SSI aged claims, or
- 27,600 SSI overpayment decisions.

The 12 State employees would have processed through 9/30/13:

- 3,000 case reviews.

**To date, the effect of the 340 employees we lost is:**

The 204 Federal front-line employees would have processed through 9/30/13:

- 85,100 retirement claims, or
- 83,100 SSI redeterminations of eligibility, or
- 95,700 SSI aged claims, or
- 265,600 SSI overpayment decisions.

The 136 State employees would have processed through 9/30/13:

- 39,400 case reviews.

## April 23 - Media Outreach

On April 23, we received a media inquiry from the Wall Street Journal about the effects of sequestration on our operations. We provided information based on the Sequestration Timeline Report for the week ending 4/26/2013 that details the impact of losing 304 employees.

## Week of April 29-May 3, 2013

We have no specific actions scheduled at this time.

# Social Security Administration Sequestration Timeline

## Weeks of April 29-May 3 and May 6-10, 2013

**Senior Accountable Official:** James A. Kissko
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## Week of April 29-May 3, 2013 – Lost Employees

During the week of April 22 through 26, we lost 33 employees (14 Federal and 19 State) through attrition. As a result, since March 1, we have lost 373 employees, and we are unable to replace them.

The 14 Federal front-line employees would have processed through 9/30/13:

- 4,900 retirement claims, or
- 4,600 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 5,500 SSI aged claims, or
- 15,400 SSI overpayment decisions.

The 19 State employees would have processed through 9/30/13:

- 4,600 case reviews.

**To date, the effect of the 373 employees we lost is:**

The 218 Federal front-line employees would have processed through 9/30/13:

- 90,000 retirement claims, or
- 87,700 SSI redeterminations of eligibility, or
- 101,200 SSI aged claims, or
- 281,000 SSI overpayment decisions.

The 155 State employees would have processed through 9/30/13:

- 44,000 case reviews.

## Week of May 6-10, 2013

We have no specific actions scheduled at this time.

# Social Security Administration Sequestration Timeline

## Weeks of May 6-10 and May 13-17, 2013

**Senior Accountable Official:** James A. Kissko
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## Week of May 6-10, 2013 – Lost Employees

During the week of April 29 through May 3, we lost 111 employees (68 Federal and 43 State) through attrition. As a result, since March 1, we have lost 484 employees, whom we are unable to replace.

The 68 Federal front-line employees would have processed through 9/30/13:

- 22,800 retirement claims, or
- 21,400 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 25,700 SSI aged claims, or
- 71,400 SSI overpayment decisions.

The 43 State employees would have processed through 9/30/13:

- 9,900 case reviews.

**To date, the effect of the 484 employees we lost is:**

The 286 Federal front-line employees would have processed through 9/30/13:

- 112,800 retirement claims, or
- 109,100 SSI redeterminations of eligibility, or
- 126,900 SSI aged claims, or
- 352,400 SSI overpayment decisions.

The 198 State employees would have processed through 9/30/13:

- 53,900 case reviews.

## Week of May 13-17, 2013

We have no specific actions scheduled at this time.

# Social Security Administration Sequestration Timeline

**Weeks of May 13-17 and May 20-24, 2013**

**Senior Accountable Official:** James A. Kissko
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## Week of May 13-17, 2013 – Lost Employees

During the week of May 6 through May 10, we lost 67 employees (35 Federal and 32 State) through attrition. As a result, since March 1, we have lost 551 employees, whom we are unable to replace.

The 35 Federal front-line employees would have processed through 9/30/13:

- 11,200 retirement claims, or
- 10,500 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 35,000 SSI overpayment decisions.

The 32 State employees would have processed through 9/30/13:

- 7,000 case reviews.

**To date, the effect of the 551 employees we lost is:**

The 321 Federal front-line employees would have processed through 9/30/13:

- 124,000 retirement claims, or
- 119,600 SSI redeterminations of eligibility, or
- 387,400 SSI overpayment decisions.

The 230 State employees would have processed through 9/30/13:

- 60,900 case reviews.

## Week of May 20-24, 2013

We have no specific actions scheduled at this time.

# Social Security Administration Sequestration Timeline

## Weeks of May 20-24 and May 27-31, 2013

**Senior Accountable Official:** James A. Kissko
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## Week of May 20-24, 2013 – Lost Employees

During the week of May 13 through May 17, we lost 29 employees (17 Federal and 12 State) through attrition. As a result, since March 1, we have lost 580 employees, whom we are unable to replace.

The 17 Federal front-line employees would have processed through 9/30/13:

- 5,200 retirement claims, or
- 4,800 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 16,200 SSI overpayment decisions.

The 12 State employees would have processed through 9/30/13:

- 2,500 case reviews.

**To date, the effect of the 580 employees we lost is:**

The 338 Federal front-line employees would have processed through 9/30/13:

- 129,200 retirement claims, or
- 124,400 SSI redeterminations of eligibility, or
- 403,600 SSI overpayment decisions.

The 242 State employees would have processed through 9/30/13:

- 63,400 case reviews.

## Week of May 27-31, 2013

We have no specific actions scheduled at this time.

# Social Security Administration Sequestration Timeline

**Weeks of May 27-31 and June 3-7, 2013**

**Senior Accountable Official:** James A. Kissko
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## Week of May 27-31, 2013 – Lost Employees

During the week of May 20 through May 24, we lost 19 employees (9 Federal and 10 State) through attrition. As a result, since March 1, we lost 599 employees, whom we are unable to replace.

The 9 Federal front-line employees would have processed through 9/30/13:

- 2,600 retirement claims, or
- 2,400 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 8,100 SSI overpayment decisions.

The 10 State employees would have processed through 9/30/13:

- 2,000 case reviews.

**To date, the effect of the 599 employees we lost is:**

The 347 Federal front-line employees would have processed through 9/30/13:

- 131,800 retirement claims, or
- 126,800 SSI redeterminations of eligibility, or
- 411,700 SSI overpayment decisions.

The 252 State employees would have processed through 9/30/13:

- 65,400 case reviews.

## Week of June 3-7, 2013

We have no specific actions scheduled at this time.

**Social Security Administration Sequestration Timeline**

**Weeks of June 3-7 and June 10-14, 2013**

**Senior Accountable Official:** James A. Kissko
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**Week of June 3-7, 2013 – Lost Employees**

During the week of May 27 through May 31, we lost 136 employees (105 Federal and 31 State) through attrition. As a result, since March 1, we lost 735 employees, whom we are unable to replace.

The 105 Federal front-line employees would have processed through 9/30/13:

- 28,600 retirement claims, or
- 26,800 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 89,300 SSI overpayment decisions.

The 31 State employees would have processed through 9/30/13:

- 5,800 case reviews.

**To date, the effect of the 735 employees we lost is:**

The 452 Federal front-line employees would have processed through 9/30/13:

- 160,400 retirement claims, or
- 153,600 SSI redeterminations of eligibility, or
- 501,000 SSI overpayment decisions.

The 283 State employees would have processed through 9/30/13:

- 71,200 case reviews.

**Week of June 10-14, 2013**

We have no specific actions scheduled at this time.

# Social Security Administration Sequestration Timeline

## Weeks of June 10-14 and June 17-21, 2013

**Senior Accountable Official:** James A. Kissko
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## Week of June 10-14, 2013 – Lost Employees

During the week of June 3 through June 7, we lost 99 employees (77 Federal and 22 State) through attrition. As a result, since March 1, we lost 834 employees.

The 77 Federal front-line employees would have processed through 9/30/13:

- 19,700 retirement claims, or
- 18,500 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 61,600 SSI overpayment decisions.

The 22 State employees would have processed through 9/30/13:

- 3,900 case reviews.

**To date, the effect of the 834 employees we lost is:**

The 529 Federal front-line employees would have processed through 9/30/13:

- 180,100 retirement claims, or
- 172,100 SSI redeterminations of eligibility, or
- 562,600 SSI overpayment decisions.

The 305 State employees would have processed through 9/30/13:

- 75,100 case reviews.

## Week of June 17-21, 2013

We have no specific actions scheduled at this time.

**Social Security Administration Office of the Inspector General Sequestration Timeline**

**Weeks of June 10-14 and June 17-21, 2013**

**Week of June 10-14, 2013 – Overview**

The Office of the Inspector General continues to limit travel and training costs due to the effects of sequestration on our operating budget. Specifically, we cannot conduct certain criminal investigations in Alaska because we do not have a presence there and do not have available funds for special agents to travel there; and OIG staff attorneys cannot attend specialized training or travel for consultations or hearings involving OIG special agents. Finally, we are unable to fund critical hiring in our Office of Audit and the OIG Fraud Hotline.

**Impacts and Significant Actions**

- We have declined to take action on 10 fraud allegations in Alaska due to a lack of available travel funds. These 10 allegations involve representative payee misuse, SSI and DI benefit fraud, and *my Social Security*-related fraud. We have also placed "on hold" 14 open investigations in Alaska, because we cannot fund the necessary investigative work.

- Our Milwaukee, Wisconsin Resident Agent-in-Charge cannot attend a planned press conference in Chicago to announce the Federal indictment of an individual for running a Jamaican lottery scam. This indictment was based on an OIG investigation.

- We have cancelled a significant amount of training for OIG staff attorneys and Office of Counsel management, including leadership development classes, attorney conferences, and specialized law courses that are not within the local commuting area. Our attorneys are essentially limited to free online training courses, local lectures, and "brown bag lunch" meetings, and some are finding it difficult to meet OIG's strategic goal of 40 hours of training per year.

- Our Office of Counsel cancelled a trip to Florida to participate in depositions and witness preparation for an OIG special agent testifying in a Merit Systems Protection Board case regarding the potential removal of a special agent from the U.S. Postal Service. Our attorney participated via teleconference, and was not able to consult privately with the OIG special agent; or to review the documents as the examining attorney presented them to the special agent during the deposition. Our attorneys have generally been unable to travel for in-person consultations with OIG special agents, whether for depositions or hearings all across the country. This has a detrimental impact on our ability to provide effective legal advice, assistance, and support to OIG agents.

- The OIG Fraud Hotline has been unable to fill vacancies, resulting in an increasing backlog of allegations received via the Internet and U.S. Mail. This backlog hinders the OIG's ability to process and respond to complaints within established timeframes. We have also been unable to offer overtime to existing staff to reduce the backlog.

- For the OIG FY 2014 Audit Work Plan, we are limiting the number of planned audits that require travel. Currently, the proposals include only two State Disability Determination Services audits and one review of an individual volume representative payee.

- We have not been able to fill multiple vacant auditor positions. In particular, our Information Technology Audit Division and Kansas City Audit Division have each lost four staff over the past couple of years and we have not been able to fill these positions. As Office of Audit staffing continues to decline, the number of reviews we can complete will decline.

- We have suspended an audit, *Social Security Funds Held in Dormant Bank Accounts*, because we do not currently have the funds needed to subpoena bank records.

- We limited the selection criteria for payees and beneficiaries we reviewed as part of the audit, *Group and Boarding Homes Serving as Representative Payees*, to those within 100 miles of an audit office, in order to reduce travel costs.

**Week of June 17-21, 2013**

We have no specific actions scheduled at this time.

**Social Security Administration Sequestration Timeline**

**Weeks of June 17-21 and June 24-28, 2013**

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**Week of June 17-21, 2013 – Lost Employees**

During the week of June 10 through June 14, we lost 27 employees (14 Federal and 13 State) through attrition. As a result, since March 1, we lost 861 employees.

The 14 Federal front-line employees would have processed through 9/30/13:

- 3,400 retirement claims, or
- 3,200 Supplemental Security Income (SSI) redeterminations of eligibility, or
- 10,500 SSI overpayment decisions.

The 13 State employees would have processed through 9/30/13:

- 2,100 case reviews.

**To date, the effect of the 861 employees we lost is:**

The 543 Federal front-line employees would have processed through 9/30/13:

- 183,500 retirement claims, or
- 175,300 SSI redeterminations of eligibility, or
- 573,100 SSI overpayment decisions.

The 318 State employees would have processed through 9/30/13:

- 77,200 case reviews.

**Week of June 24-28, 2013**

We have no specific actions scheduled at this time.

**Social Security Administration Office of the Inspector General (OIG) Sequestration Timeline**

**Weeks of June 17-21 and June 24-28, 2013**

**Week of June 17-21, 2013**

- Due to sequestration, the OIG was forced to use our "transfer authority" by asking SSA to supplement the OIG appropriation by 3 percent, or approximately $3.06 million. Without this additional 3 percent, we estimate that we would have to implement six furlough days to make up a budget shortfall. We have received the additional funding we requested from SSA. However, we continue to limit travel and training costs due to the effects of sequestration. Specifically, we have spent all funds we allocated for overtime, copiers and maintenance, and our internal leadership development program.

- For our draft fiscal year 2014 Audit Work Plan, we had originally included one review of an individual volume representative payee and two Disability Determination Services audits. However, after further discussion, these audits were postponed to limit travel costs. We also plan to limit travel on two newly proposed audits discussed at our work plan meeting to only travel local to Office of Audit (OA) field offices.

- We have cancelled a planned audit of SSA's wireless networks because we do not have the funds needed to contract with Grant Thornton for this work.

- An auditor in the Evaluation Division resigned effective this pay period and we will not be able to hire a replacement; this will significantly reduce this division's productivity. Generally speaking, as OA's staffing level decreases, the number of reviews we can complete will also decline.

- We cancelled a planned April 2013 bi-annual meeting of administrative specialists from our 10 Office of Investigations field divisions across the country. This meeting provides a chance to discuss current policies and procedures and conduct training; and allows these employees to forge important connections and share best practices. This year's meeting would have been especially important as we are changing the way we plan future budgets and expenditures.

- We are unable to fill the Resident Agent-in-Charge position in Clearwater, Florida because of lack of funds to re-locate the individual selected for the position in March 2013.

- We are unable to fund replacement of aging information technology equipment, such as workstations, laptops, and servers, which could lead to lost productivity should hardware failures occur.

**Week of June 24-28, 2013**

We have no specific actions scheduled at this time.