

Social Security Administration (SSA): FY2024 Annual Limitation on Administrative Expenses (LAE) Appropriation: In Brief

October 5, 2023

Congressional Research Service

<https://crsreports.congress.gov>

R47746

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Introduction

This report provides a brief overview of proposals for the Social Security Administration's (SSA's) annual Limitation on Administrative Expenses (LAE) appropriation for FY2024. It provides links to relevant agency, Administration, congressional, and other resources. The dollar changes and percentage changes discussed in the text are based on actual, unrounded amounts.

Background on SSA

SSA is an independent agency in the executive branch headed by the commissioner of Social Security (COSS). SSA employs about 57,000 federal workers across its more than 1,500 offices and supports about 14,500 state personnel who conduct disability determinations on SSA's behalf.¹ SSA is responsible for administering Social Security and Supplemental Security Income (SSI), which are the nation's primary income support programs for older adults and individuals with disabilities. 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 R47097, *Social Security Administration (SSA): Trends in the Annual Limitation on Administrative Expenses (LAE) Appropriation Through FY2021*, "Administrative Responsibilities."
- CRS Report R47086, *Social Security Policy Resources for Congressional Staff*.
- SSA, *Annual Statistical Supplement, 2022*, "Social Security (Old-Age, Survivors, and Disability Insurance)" 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.² However, the resources 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 is a discretionary lump-sum appropriation 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 the base LAE and 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

¹ SSA, *Annual Performance Plan for Fiscal Year 2024*, March 2023, p. 5, <https://www.ssa.gov/budget/assets/materials/2024/2024APR.pdf>.

² See CRS Report R46468, *A Brief Overview of the Congressional Budget Process*.

the main LAE in the first paragraph that is dedicated to certain PI activities, such as continuing disability reviews 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 (SSPs) under the SSI program and certifications of non-attorney claimant representatives. The amounts specified in this report differ slightly from the amounts in relevant congressional reports, because those reports apply Congressional Budget Office (CBO) adjustments to user fees based on CBO's projection of actual user fee collections. CBO typically projects SSA's actual user fee collections to be less than the amounts authorized in proposals or legislation.

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*, "Overview of the LAE Account and the Annual LAE Appropriation."
- SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2024*, "Budget Overview," <https://www.ssa.gov/budget/>.
- CRS Report R47622, *Status of FY2024 Labor, Health and Human Services, and Education Appropriations: In Brief*.
- CRS Report R47345, *Labor, Health and Human Services, and Education: FY2023 Appropriations*.

FY2024 Budget Requests for the Annual LAE

Commissioner of Social Security (COSS)

The FY2024 COSS's budget request for SSA's total annual LAE appropriation is \$16.223 billion, an increase of \$2.096 billion (+14.8%) compared to the FY2023 enacted level. (The presentation of the COSS's budget request in the President's budget does not break out the components of the proposed annual LAE appropriation.) For more information on the FY2024 COSS's budget request, see the last paragraph of SSA's section of the appendix to the FY2024 President's budget:

- U.S. Office of Management and Budget (OMB), *Appendix, Budget of the United States Government, Fiscal Year 2024*, SSA, "Commissioner's Budget," p. 1179, <https://www.govinfo.gov/content/pkg/BUDGET-2024-APP/pdf/BUDGET-2024-APP.pdf#page=1185>.

President

The FY2024 President's budget request for the total annual LAE appropriation is \$15.489 billion, an increase of \$1.362 billion (+9.6%) compared to the FY2023 enacted level. The FY2024 total includes \$13.468 billion in base LAE funding, \$151 million in total user fees, and \$1.870 billion in total dedicated PI funding for certain activities. For more information, see the resources below:

- OMB, *Appendix, Budget of the United States Government, Fiscal Year 2024*, SSA, pp. 1177-1179, <https://www.govinfo.gov/content/pkg/BUDGET-2024-APP/pdf/BUDGET-2024-APP.pdf#page=1183>.

- OMB, *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2024*, Chapter 4: Budget Process, “Social Security Administration (SSA) Dedicated Program Integrity Activities,” pp. 32-34, <https://www.govinfo.gov/content/pkg/BUDGET-2024-PER/pdf/BUDGET-2024-PER.pdf#page=46>.
- SSA, *Justification of Estimates for Appropriations Committees, Fiscal Year 2024*, “Limitation on Administrative Expenses,” p. 83 (document page 128), <https://www.ssa.gov/budget/assets/materials/2024/FY24-JEAC.pdf#page=128>.

FY2024 Congressional Proposals for the Annual LAE

House

The House Appropriations Committee’s LHHS subcommittee approved its draft LHHS bill on July 14, 2023.³ The FY2024 House draft subcommittee bill proposes \$13.954 billion for the total annual LAE appropriation, a decrease of \$173 million (-1.2%) compared to the FY2023 enacted level.⁴ The FY2024 total includes \$11.952 billion in base LAE funding, \$151 million in total user fees, and \$1.851 billion in total dedicated PI funding for certain activities.⁵ For more information, see the resource below:

- LAE section of draft bill, pp. 169-172, <https://docs.house.gov/meetings/AP/AP07/20230714/116252/BILLS-118—AP—LaborHHS-FY24LHSSubcommitteeMark.pdf#page=169>.

Senate

The Senate Appropriations Committee reported its LHHS bill to the Senate on July 27, 2023 (S. 2624, S.Rept. 118-84). The FY2024 Senate committee bill proposes \$14.419 billion for the total annual LAE appropriation, an increase of \$292 million (+2.1%) compared to the FY2023 enacted level. The FY2024 total includes \$12.417 billion in base LAE funding, \$151 million in total user fees, and \$1.851 billion in total dedicated PI funding for certain activities.⁶ For more information, see the resources below:

- LAE section of S. 2624, pp. 179-182, <https://www.congress.gov/118/bills/s2624/BILLS-118s2624rs.pdf#page=179>.
- S.Rept. 118-84 (amounts in the report reflect CBO adjustments to user fees):

³ U.S. Congress, House Committee on Appropriations, “Subcommittee Markup of Fiscal Year 2024 Labor, Health and Human Services, Education, and Related Agencies Bill,” July 14, 2023, <https://appropriations.house.gov/legislation/markups/fiscal-year-2024-labor-health-and-human-services-education-and-related-agencies>.

⁴ The FY2024 House draft subcommittee bill structures the annual LAE appropriation text differently than the approach described in the body of this report. Instead, the FY2024 House draft subcommittee bill provides base LAE funding in the first paragraph and total PI funding in the second paragraph, which when added together equals main LAE funding. This alternative drafting approach was generally used for the enacted annual LAE appropriation for FY2012-FY2016.

⁵ The \$1.851 billion in total dedicated PI funding includes \$273 million in base PI funding that is subject to the statutory discretionary spending limit (or cap) for FY2024 under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177, as amended by the Fiscal Responsibility Act of 2023 [P.L. 118-5]), as well as \$1.578 billion in adjustment PI funding that is effectively exempt from the aforementioned limit. The \$1.578 billion in adjustment PI funding is the maximum amount permitted for FY2024 (see 2 U.S.C. §901(b)(2)(B)(i)(XI)).

⁶ See footnote 5 for more information on the \$1.851 billion in total dedicated PI funding in the Senate committee bill.

- LAE section of report write-up, pp. 270-272, <https://www.congress.gov/118/crpt/srpt84/CRPT-118srpt84.pdf#page=270>.
- LAE section of detailed table, pp. 404-405, <https://www.congress.gov/118/crpt/srpt84/CRPT-118srpt84.pdf#page=404>.

Comparison and Historical Tables

This section provides comparison data on full-year proposed levels for the LAE account for FY2024 (excluding continuing resolutions), as well as historical data on enacted levels for the LAE account.⁷

Table 1 compares the *total* annual LAE appropriation (including the COSS’s request) for the FY2024 proposed levels and the FY2023 enacted level.

Table 1. Comparison of the Total Annual LAE Appropriation, FY2023-FY2024

In Thousands of Nominal Dollars

Total Annual LAE	FY2023 Enacted	FY2024 COSS’s Budget	FY2024 President’s Budget	FY2024 House Subcommittee Draft	FY2024 Senate Committee	FY2024 Enacted
Dollar amount	\$14,126,978	\$16,223,000	\$15,489,200	\$13,953,978	\$14,418,978	
Dollar difference relative to FY2023 enacted	—	+\$2,096,022	+\$1,362,222	-\$173,000	+\$292,000	
Percentage change relative to FY2023 enacted	—	+14.8%	+9.6%	-1.2%	+2.1%	

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

Notes: The dollar and percentage changes are based on unrounded amounts. The amounts in this table differ slightly from the amounts in relevant congressional reports because those reports apply CBO adjustments to user fees based on CBO’s projection of actual user fee collections.

Table 2 compares the *components* of the annual LAE appropriation (excluding the COSS’s request) for the FY2024 proposed levels and the FY2023 enacted level. The total annual LAE is equal to the main LAE component *plus* the SSI SSP user fees component *plus* the non-attorney user fees component. The base LAE, total dedicated PI, base PI, and adjustment PI components are labeled “non-add” because they are included in the main LAE component and thus are not added to the total annual LAE.

⁷ On August 31, 2023, the White House reportedly issued a funding priority request for inclusion in a short-term continuing resolution (CR) for FY2024. Among other things, it proposes that SSA’s LAE account be funded for the duration of the FY2024 CR at a total rate for operations of \$14.854 billion, an increase of \$727 million (+5.1%) compared to the FY2023 enacted level. See White House, *FY 2024 Continuing Resolution (CR) Appropriations Issues*, p. 18. (The document, which is reported to be from OMB, is not available on the White House website as of the date of this report’s publication. A copy of the reported request can be found at https://www.crs.gov/products/Documents/FY2024_CR_anomalies_list/pdf/FY2024_CR_anomalies_list.pdf.) On September 30, 2023, the President signed into law the Continuing Appropriations Act, 2024 and Other Extensions Act (P.L. 118-15). Among other things, the CR provides SSA’s LAE account with a total funding rate for operations at the FY2023 enacted level from October 1, 2023, through November 17, 2023.

Table 2. Comparison of the Components of the Annual LAE Appropriation, FY2023-FY2024

In Thousands of Nominal Dollars

Component	FY2023 Enacted	FY2024 President's Budget	FY2024 House Subcommittee Draft	FY2024 Senate Committee	FY2024 Enacted
<i>Dollar Amount (in Thousands)</i>					
Main LAE	\$13,985,978	\$15,338,200	\$13,802,978	\$14,267,978	
Base LAE (non-add)	\$12,201,978	\$13,468,200	\$11,951,978	\$12,416,978	
Total dedicated PI (non-add)	\$1,784,000	\$1,870,000	\$1,851,000	\$1,851,000	
Base PI (non-add)	\$273,000	\$287,000	\$273,000	\$273,000	
Adjustment PI (non-add)	\$1,511,000	\$1,583,000	\$1,578,000	\$1,578,000	
SSI SSP user fees	\$140,000	\$150,000	\$150,000	\$150,000	
Non-attorney user fees	\$1,000	\$1,000	\$1,000	\$1,000	
Total Annual LAE	\$14,126,978	\$15,489,200	\$13,953,978	\$14,418,978	
<i>Dollar Difference Relative to FY2023 Enacted (in Thousands)</i>					
Main LAE	—	+\$1,352,222	-\$183,000	+\$282,000	
Base LAE (non-add)	—	+\$1,266,222	-\$250,000	+\$215,000	
Total dedicated PI (non-add)	—	+\$86,000	+\$67,000	+\$67,000	
Base PI (non-add)	—	+\$14,000	\$0	\$0	
Adjustment PI (non-add)	—	+\$72,000	+\$67,000	+\$67,000	
SSI SSP user fees	—	+\$10,000	+\$10,000	+\$10,000	
Non-attorney user fees	—	\$0	\$0	\$0	
Total Annual LAE	—	+\$1,362,222	-\$173,000	+\$292,000	
<i>Percentage Change Relative to FY2023 Enacted</i>					
Main LAE	—	+9.7%	-1.3%	+2.0%	
Base LAE (non-add)	—	+10.4%	-2.0%	+1.8%	
Total dedicated PI (non-add)	—	+4.8%	+3.8%	+3.8%	
Base PI (non-add)	—	+5.1%	0.0%	0.0%	
Adjustment PI (non-add)	—	+4.8%	+4.4%	+4.4%	
SSI SSP user fees	—	+7.1%	+7.1%	+7.1%	
Non-attorney user fees	—	0.0%	0.0%	0.0%	
Total Annual LAE	—	+9.6%	-1.2%	+2.1%	

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

Notes: PI = program integrity. SSI = Supplemental Security Income. SSP = state supplementary payment. The dollar changes and percentage changes are based on unrounded amounts. 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 FY2024 COSS's request is not shown because the President's budget does not break out the components of the COSS's request. The amounts in this table differ slightly from the amounts in relevant congressional reports because those reports apply CBO adjustments to user fees based on CBO's projection of actual user fee collections.

Table 3 compares the enacted levels for the annual LAE appropriation for FY2009-FY2023 by component. The table starts with FY2009 because no dedicated PI funding was provided for FY2003-FY2008. The total annual LAE is equal to the main LAE component *plus* the SSI SSP user fees component *plus* the non-attorney user fees component. The base LAE, total dedicated PI, base PI, and adjustment PI components are labeled “non-add” because they are included in the main LAE component and thus are not added to the total annual LAE.

Table 3. Enacted Annual LAE Appropriation, by Component, FY2009-FY2023

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
<i>Base PI (non-add)</i>	\$264.0	\$273.0	\$272.5	\$273.5	\$272.0	\$273.0	\$273.0	\$273.0	\$273.0	\$273.0
<i>Adjustment PI (non-add)</i>	\$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	FY2023					
Main LAE	\$12,741.9	\$12,739.9	\$12,794.9	\$13,202.9	\$13,986.0					
Base LAE (non-add)	\$11,058.9	\$11,157.9	\$11,219.9	\$11,494.9	\$12,202.0					
Total dedicated PI (non-add)	\$1,683.0	\$1,582.0	\$1,575.0	\$1,708.0	\$1,784.0					
<i>Base PI (non-add)</i>	\$273.0	\$273.0	\$273.0	\$273.0	\$273.0					
<i>Adjustment PI (non-add)</i>	\$1,410.0	\$1,309.0	\$1,302.0	\$1,435.0	\$1,511.0					
SSI SSP user fees	\$134.0	\$130.0	\$135.0	\$138.0	\$140.0					
Non-attorney user fees	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0					
Total Annual LAE	\$12,876.9	\$12,870.9	\$12,930.9	\$13,341.9	\$14,127.0					

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 in applicable annual LHHS appropriations acts and SSA's congressional budget justifications 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 CBO's projection of actual user fee collections.

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