

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

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Introduction

This report provides a brief overview of the Social Security Administration's (SSA's) annual Limitation on Administrative Expenses (LAE) appropriation for 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. SSA employs about 61,000 federal workers across its more than 1,500 offices and supports about 15,000 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, 2023*, "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 Report FYs 2023-2025*, March 2024, p. 6, <https://www.ssa.gov/budget/assets/materials/2025/2025APR.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 R47936, *Labor, Health and Human Services, and Education: FY2024 Appropriations*.

FY2024 Budget Requests for the Annual LAE

Commissioner of Social Security

Section 704(b)(1) of the Social Security Act requires the commissioner of Social Security to prepare an annual budget for the Administration, which is required to be submitted by the President to Congress, without revision, together with the President's budget.³ The commissioner's budget request is independent of the President's budget request and designed to provide Congress with information on the amount of funding that the commissioner believes is necessary for SSA to carry out its mission.

The FY2024 commissioner's budget request for SSA's total annual LAE appropriation was \$16.223 billion, an increase of \$2.096 billion (+14.8%) compared to the FY2023 enacted level. (The presentation of the commissioner'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 commissioner'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>.

³ 42 U.S.C. §904(b)(1).

President

The FY2024 President's budget request for the total annual LAE appropriation was \$15.489 billion, an increase of \$1.362 billion (+9.6%) compared to the FY2023 enacted level. The FY2024 total included \$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 LHHS Subcommittee approved its draft LHHS bill on July 14, 2023.⁴ The FY2024 House subcommittee draft bill proposed \$13.954 billion for the total annual LAE appropriation, a decrease of \$173 million (-1.2%) compared to the FY2023 enacted level.⁵ The FY2024 total included \$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.⁶ On October 6, 2023, the chair of the House Appropriations LHHS Subcommittee introduced an LHHS bill (H.R. 5894); the text of H.R. 5894, as introduced, was substantially the same as the subcommittee draft. For more information, see the resources 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>.
- LAE section of H.R. 5894, pp. 168-171 <https://www.congress.gov/118/bills/hr5894/BILLS-118hr5894ih.pdf#page=168>.

⁴ 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/events/markups/subcommittee-markup-fiscal-year-2024-labor-health-and-human-services-education-and>.

⁵ The FY2024 House subcommittee draft bill structured the annual LAE appropriation text differently than the approach described in the body of this report. Instead, the FY2024 House subcommittee draft bill specified 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.

⁶ The \$1.851 billion in total dedicated PI funding included \$273 million in base PI funding that was 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 was effectively exempt from the aforementioned limit. The \$1.578 billion in adjustment PI funding was the maximum amount permitted for FY2024 (see 2 U.S.C. §901(b)(2)(B)(i)(XI)).

- Draft House report (amounts in the report reflect CBO adjustments to user fees):
 - LAE section of report write-up, pp. 229-231, <https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/FY24-LHHS-Explanatory-Materials.pdf#page=229>.
 - LAE section of detailed table, pp. 306-307, <https://appropriations.house.gov/sites/evo-subsites/republicans-appropriations.house.gov/files/FY24-LHHS-Explanatory-Materials.pdf#page=306>.

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 proposed \$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 included \$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.⁷ 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):
 - 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>.

FY2024 Enacted Appropriation for the Annual LAE

The Further Consolidated Appropriations Act, 2024 (H.R. 2882; P.L. 118-47), which included the FY2024 LHHS appropriations act (Division D), was signed into law on March 23, 2024.⁸ It provided \$14.227 billion for the FY2024 total annual LAE appropriation, an increase of \$100 million (+0.7%) compared to the FY2023 enacted level. The FY2024 total included \$12.225 billion in base LAE funding, \$151 million in total user fees, and \$1.851 billion in total dedicated PI funding.⁹ For more information, see the resources below:

- LAE section of H.R. 2882, pp. 241-242, <https://www.congress.gov/118/bills/hr2882/BILLS-118hr2882enr.pdf#page=241>.
- Joint explanatory statement (amounts reflect CBO adjustments to user fees):
 - LAE section of write-up, *Congressional Record*, daily edition, vol. 170, no. 51, Book II (March 22, 2024), p. H1897, <https://www.congress.gov/118/crec/2024/03/22/170/51/CREC-2024-03-22-bk2.pdf#page=397>,

⁷ See footnote 6 for more information on the \$1.851 billion in total dedicated PI funding.

⁸ SSA's LAE account for FY2024 was initially funded under a series of continuing resolutions (CRs). The first enacted CR (P.L. 118-15) provided SSA's LAE account with a total funding rate for operations at the FY2023 enacted level for the duration of the CR. This total funding rate for operations was continued under subsequently enacted CRs (P.L. 118-22, P.L. 118-35, and P.L. 118-40) for their respective durations.

⁹ See footnote 6 for more information on the \$1.851 billion in total dedicated PI funding.

- LAE section of detailed table, *Congressional Record*, daily edition, vol. 170, no. 51, Book II (March 22, 2024), pp. H2064-H2065, <https://www.congress.gov/118/crec/2024/03/22/170/51/CREC-2024-03-22-bk2.pdf#page=564>.
- SSA, *Fiscal Year 2024 Operating Plan*, May 6, 2024, <https://www.ssa.gov/budget/assets/materials/2024/2024OP.pdf>.

Comparison and Historical Tables

This section provides comparison data on full-year proposed and enacted levels for the LAE account for FY2024 (excluding continuing resolutions), as well as historical data on enacted levels for the LAE account.¹⁰

Table 1 compares the *total* annual LAE appropriation (including the commissioner’s budget request) for the FY2024 proposed and enacted 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 Commissioner’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	\$14,226,978
Dollar difference relative to FY2023 enacted	—	+\$2,096,022	+\$1,362,222	-\$173,000	+\$292,000	+\$100,000
Percentage change relative to FY2023 enacted	—	+14.8%	+9.6%	-1.2%	+2.1%	+0.7%

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

Notes: The dollar changes 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 commissioner’s budget request) for the FY2024 proposed and enacted 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.

¹⁰ See footnote 8 for enacted CRs for FY2024. On August 31, 2023, the White House reportedly issued a funding priority request for inclusion in a short-term CR for FY2024. Among other things, it proposed 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.)

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	\$14,075,978
Base LAE (non-add)	\$12,201,978	\$13,468,200	\$11,951,978	\$12,416,978	\$12,224,978
Total dedicated PI (non-add)	\$1,784,000	\$1,870,000	\$1,851,000	\$1,851,000	\$1,851,000
Base PI (non-add)	\$273,000	\$287,000	\$273,000	\$273,000	\$273,000
Adjustment PI (non-add)	\$1,511,000	\$1,583,000	\$1,578,000	\$1,578,000	\$1,578,000
SSI SSP user fees	\$140,000	\$150,000	\$150,000	\$150,000	\$150,000
Non-attorney user fees	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total Annual LAE	\$14,126,978	\$15,489,200	\$13,953,978	\$14,418,978	\$14,226,978
<i>Dollar Difference Relative to FY2023 Enacted (in Thousands)</i>					
Main LAE	—	+\$1,352,222	-\$183,000	+\$282,000	+\$90,000
Base LAE (non-add)	—	+\$1,266,222	-\$250,000	+\$215,000	+\$23,000
Total dedicated PI (non-add)	—	+\$86,000	+\$67,000	+\$67,000	+\$67,000
Base PI (non-add)	—	+\$14,000	\$0	\$0	\$0
Adjustment PI (non-add)	—	+\$72,000	+\$67,000	+\$67,000	+\$67,000
SSI SSP user fees	—	+\$10,000	+\$10,000	+\$10,000	+\$10,000
Non-attorney user fees	—	\$0	\$0	\$0	\$0
Total Annual LAE	—	+\$1,362,222	-\$173,000	+\$292,000	+\$100,000
<i>Percentage Change Relative to FY2023 Enacted</i>					
Main LAE	—	+9.7%	-1.3%	+2.0%	+0.6%
Base LAE (non-add)	—	+10.4%	-2.0%	+1.8%	+0.2%
Total dedicated PI (non-add)	—	+4.8%	+3.8%	+3.8%	+3.8%
Base PI (non-add)	—	+5.1%	0.0%	0.0%	0.0%
Adjustment PI (non-add)	—	+4.8%	+4.4%	+4.4%	+4.4%
SSI SSP user fees	—	+7.1%	+7.1%	+7.1%	+7.1%
Non-attorney user fees	—	0.0%	0.0%	0.0%	0.0%
Total Annual LAE	—	+9.6%	-1.2%	+2.1%	+0.7%

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 commissioner's budget request is not shown because the President's budget does not break out the components of the commissioner's budget 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-FY2024 by component.¹¹ 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.

¹¹ The table starts with FY2009 because dedicated PI funding has been consistently provided in the annual LAE appropriation each fiscal year since FY2009. Dedicated PI funding was first provided in the annual LAE appropriation for FY1996-FY2002. No dedicated PI funding was provided in the annual LAE appropriation for FY2003-FY2008.

Table 3. Enacted Annual LAE Appropriation, by Component, FY2009-FY2024

In Millions of Nominal Dollars

Component	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Main LAE	\$10,307.5	\$11,285.5	\$11,238.0	\$11,291.6	\$10,884.2	\$11,525.0	\$11,680.9	\$12,024.9	\$12,357.9	\$12,753.9
Base LAE (non-add)	\$9,803.5	\$10,527.5	\$10,481.5	\$10,535.5	\$10,141.6	\$10,328.0	\$10,284.9	\$10,598.9	\$10,538.9	\$11,018.9
Total dedicated PI (non-add)	\$504.0	\$758.0	\$756.5	\$756.1	\$742.6	\$1,197.0	\$1,396.0	\$1,426.0	\$1,819.0	\$1,735.0
Base PI (non-add)	\$264.0	\$273.0	\$272.5	\$273.5	\$272.0	\$273.0	\$273.0	\$273.0	\$273.0	\$273.0
Adjustment PI (non-add)	\$240.0	\$485.0	\$484.0	\$482.6	\$470.6	\$924.0	\$1,123.0	\$1,153.0	\$1,546.0	\$1,462.0
SSI SSP user fees	\$145.0	\$160.0	\$185.6	\$160.7	\$160.4	\$171.0	\$124.0	\$136.0	\$123.0	\$118.0
Non-attorney user fees	\$1.0	\$1.0	\$0.0	\$1.0	\$0.9	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Total Annual LAE	\$10,453.5	\$11,446.5	\$11,423.6	\$11,453.3	\$11,045.6	\$11,697.0	\$11,805.9	\$12,161.9	\$12,481.9	\$12,872.9
Component	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024				
Main LAE	\$12,741.9	\$12,739.9	\$12,794.9	\$13,202.9	\$13,986.0	\$14,076.0				
Base LAE (non-add)	\$11,058.9	\$11,157.9	\$11,219.9	\$11,494.9	\$12,202.0	\$12,225.0				
Total dedicated PI (non-add)	\$1,683.0	\$1,582.0	\$1,575.0	\$1,708.0	\$1,784.0	\$1,851.0				
Base PI (non-add)	\$273.0	\$273.0	\$273.0	\$273.0	\$273.0	\$273.0				
Adjustment PI (non-add)	\$1,410.0	\$1,309.0	\$1,302.0	\$1,435.0	\$1,511.0	\$1,578.0				
SSI SSP user fees	\$134.0	\$130.0	\$135.0	\$138.0	\$140.0	\$150.0				
Non-attorney user fees	\$1.0	\$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	\$14,227.0				

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 does not reflect CBO adjustments to user fees based on CBO's projection of actual user fee collections.

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