



COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

UNITED STATES HOUSE OF REPRESENTATIVES

MAY 26, 2016

STATEMENT FOR THE RECORD

**CAROLYN W. COLVIN
ACTING COMMISSIONER
SOCIAL SECURITY ADMINISTRATION**

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee, thank you for inviting us to discuss information technology (IT) and security at the Social Security Administration (SSA), including our agency's compliance with the Federal Information Security Management Act (FISMA) and the Committee's scorecard on the Federal Information Technology Acquisition Reform Act (FITARA).

I will focus my testimony on providing an overview of the programs that we administer, describing in brief how IT supports our mission, our IT investment process, cybersecurity, and the need for a multi-year IT modernization effort. Mr. Klopp, our Deputy Commissioner for Systems and Chief Information Officer, will discuss how we invest in and manage IT, consistent with the principles of FITARA, and our plans to modernize our IT infrastructure. Ms. Marti Eckert, our Chief Information Security Officer, will summarize our cybersecurity efforts, and our compliance with FISMA.

At the outset, let me emphasize that investing wisely in technology is one of our top critical priorities as we work to deliver smarter, secure, and more efficient service. We have consistently used our IT resources to help us efficiently and effectively deliver benefit payments and other services to millions of Americans each year. Yet we have major challenges before us. We have a significantly aged IT infrastructure, which is increasingly difficult and expensive to maintain. In addition, we must dedicate substantial resources to ensuring the security and integrity of our IT systems and the vital data that we maintain. While I am confident in the abilities of our employees to handle these challenges, I must emphasize that we need a multi-year investment to make essential improvements to modernize our systems.

Overview of SSA

I would like to describe briefly the programs that we administer. Old-Age, Survivors, and Disability Insurance (OASDI) (or "Social Security") is a social insurance program, under which workers earn coverage for retirement, survivors, and disability benefits by working and paying Social Security taxes on their earnings.

We also administer the Supplemental Security Income (SSI) program, which provides monthly payments to people with limited income and resources who are aged, blind, or disabled. Adults and children under the age of 18 can receive payments based on disability or blindness. General tax revenues fund the SSI program.

Few government agencies touch as many people as we do. Social Security pays monthly benefits to more than 59 million individuals, consisting of 39 million retired workers and 3 million of their spouses and children; 9 million workers with disabilities and 2 million dependents; and 6 million surviving widows, children, and other dependents of deceased workers. We provide SSI benefits to over 8 million recipients.

The scope of our work is immense. In FY 2015, we:

- Handled approximately 37 million calls on our National 800 Number;
- Served about 40 million visitors in our 1,200 field offices nationwide;

- Completed over 8 million claims for benefits and more than 660,000 hearing dispositions;
- Handled over 35 million changes to beneficiary records;
- Issued about 16 million new and replacement Social Security cards;
- Performed almost 2 billion automated Social Security number verifications;
- Posted about 266 million wage reports;
- Handled over 18,000 cases in Federal District Courts;
- Completed over 2.2 million SSI non-medical redeterminations;
- Completed 799,000 full medical CDRs; and
- Completed approximately 3 million overpayment actions.

We handle all of this work with considerable efficiency. At approximately 1.3 percent of our total outlays, SSA's administrative expenses continue to be a small fraction of overall program spending, demonstrating the agency's cost-conscious approach to managing its resources.

The Role of IT at SSA

IT plays a critical role in our day-to-day operations. We use most of our IT funding for ongoing operational costs such as our National 800 Number service and our online services, both of which help us keep pace with the recent increases in claims. In FY 2015, our IT infrastructure supported the payment of more than \$930 billion in benefits to nearly 67 million people and the maintenance of hundreds of millions of Social Security numbers and related earnings records for nearly every American.

We are exploring and developing ways we can expand our online customer base. Each year, we see greater numbers of people across all demographic segments doing business with us online. Since we launched *my Social Security* in 2012, over 24.5 million customers have created accounts. In FY 2015, customers continued to increase their use of our online services to conduct business with us as they completed over 87 million transactions via our website. In FY 2015, we received more than half of all Social Security retirement and disability applications online, including 75 percent of Medicare applications.

Customer satisfaction with our online services also continues to shine, as five of the top ten ranked Federal websites were SSA online customer service products, according to the 2015 ForeSee e-Government Report Card. We will continue to enhance our online services and promote them as a safe and convenient service option to increase usage and reduce unnecessary field office visits. Our goal is to increase the volume of online transactions by 25 million each year, which would result in 112 million transactions in FY 2016 and 137 million in FY 2017. With increased usage of online services, we can free up more time for customers that need or prefer to complete business with us in person.

We continue to increase the services available on our online *my Social Security* portal. Individuals may access their Social Security Statement at any time through their personal online *my Social Security* account. In 2015, we added several new services to our *my Social Security* portal including replacement Medicare Card services, and the capability for *my Social Security* users to download data from their Social Security Statement to assist them in financial and

retirement planning. Other online service efforts include a successful limited rollout – up to eight States and the District of Columbia over the last year– of a secure Internet Social Security Number Replacement Card application for eligible U.S. citizens age 18 and over. We expect to expand this service to other States in the near future.

In this calendar year, we are enhancing our online *my Social Security* service so that it is more compatible with mobile devices to improve service to that fast-growing segment of the user community. In addition, we are developing new customer engagement tools including Click-to-Chat and a Message Center for relaying informational messages to *my Social Security* users. Other services include the development of a Smart Claim application that will allow our customers to get a detailed status on their benefit applications within *my Social Security*. We will later expand Smart Claim to include online service options for SSI claimants as well.

IT Investment

While we have always been an efficient organization, with low administrative expenses, I fully appreciate that SSA must continually strive to improve how it invests resources, particularly in IT. Consequently, transforming the information technology investment process has been one of my highest priorities as Acting Commissioner. Over the last year, we have developed an IT Investment Process (ITIP) that will improve the way we manage and invest in IT at SSA.

Consistent with FITARA, ITIP will focus on up-front project planning with outcomes tied to specific agency goals. Improved project planning and documentation will allow us to assess project costs and timelines with greater accuracy. In addition, an enterprise-wide executive IT investment board will meet throughout the year to make informed funding decisions on projects that provide the greatest benefit to our agency's mission. As a result, we will be better able to deliver the right project on time and within budget, and provide the best tools for our employees and superior service to the American public.

In addition to improving how we invest in IT, we also are taking steps to ensure that we are recruiting the best talent and exploring the latest methods in the world of IT. To that end, last year I selected Rob Klopp to serve as our Deputy Commissioner of Systems and our Chief Information Officer. Mr. Klopp has impressive private industry expertise in leading technology change and balancing that change with reliable service delivery. In addition, we are working to build a digital services team that will bring private sector best practices into the disciplines of design, software engineering, and product management to maximize the agency's most important services. Finally, we are using new methods to deliver technology faster, such as Agile development and cloud computing services.

Cybersecurity

Our cybersecurity program continues to increase our detection, protection, and intelligence capabilities for strengthening the agency's defenses against evolving threats and cyber-attacks. Our program incorporates these security capabilities into a comprehensive, multi-layered defensive approach for ensuring the confidentiality, integrity, and availability of the public's sensitive personally identifiable information. As we continue to provide new opportunities for

better customer service through new online services, we must remain vigilant in continuing to strengthen our cybersecurity program capabilities.

To that end, we proactively try to penetrate our own information systems every day. With ongoing analysis and rigorous testing, we continuously learn more about the ways hackers may try to gain access to our systems, and we continuously devise ways to stop them.

Our cybersecurity program compares well against other Federal departments and agencies in key performance standards. To remain strong, we need to continue to evolve our cybersecurity program to reflect changes in technology, changes to business processes, and changes in the complexity of internal or external threats. Continued investments in cybersecurity projects and initiatives will ensure we have the resources needed to accomplish our agency's mission and thus maintain public confidence in the agency's ability to protect their privacy. Marti Eckert, our Chief Information Security Officer, will describe in more detail the steps we take to ensure the security of our information systems.

Additionally, to protect citizens' personally identifiable information further, we continue to improve authentication for our online services. In compliance with Executive Order 13681 ("Improving the Security of Consumer Financial Transactions"), we are changing our current multifactor authentication process for *my Social Security* from optional to mandatory for all users. Upon implementation this summer, all customers must enter a username, password, and a one-time passcode texted to a registered cell phone in order to access their *my Social Security* account. In the future, we expect to offer additional multi-factor options, pursuant to Federal guidelines. The National Institute of Standards of Technology is working on a revised guideline, and we are providing input into that process.

IT Modernization

I appreciate the Committee's interest in our efforts to modernize our legacy information systems. The database systems our agency uses today are 40 years old and are no longer the best solution to administer our programs. For several years, we worked to modernize our IT in small pieces at a time, but we have exhausted nearly all of these small efforts. The legacy infrastructure is not sustainable, but these aged systems are the very production tools that our employees rely upon each day to provide service to the public. We must maintain the legacy systems while, in parallel, developing their replacements. We are now at a point where we must undertake a larger, multiyear effort.

A portion of the fiscal year 2016 appropriation helps to begin the design of the legacy replacement systems. However, we need a sustained, long-term investment to make the changes needed to develop a fully modern IT infrastructure that is capable of supporting the immense responsibilities I described earlier in my testimony. That is why the President's Budget for FY 2017 requests multiyear funding of \$300 million spread over four years, to undertake an IT modernization project that will bring our systems current. In FY 2017, \$60 million is included as part of the FY 2017 President's Budget. The FY 2017 President's Budget also contains a mandatory proposal for additional IT modernization funding - \$80 million each year in FYs 2018-2020. The project will require effort and investment in several areas including

modernization in computer language, database, and infrastructure. Mr. Klopp will describe in greater detail why such a long-term investment is essential.

Conclusion

Thank you for holding this important hearing. I am glad to highlight for you the importance of IT in our administration of the Social Security and SSI programs, and the need to ensure the integrity of our systems and the development of a sound IT investment process. I would be happy to answer any questions you may have.



Carolyn W. Colvin
Acting Commissioner of Social Security

Carolyn W. Colvin believes that there is no greater calling than public service. Putting her own retirement on hold, Ms. Colvin returned to public service at the request of President Obama to serve as Deputy Commissioner in January 2011. Since February 14, 2013, Ms. Colvin has served as Acting Commissioner. Receiving the President's vote of confidence to lead the agency, Ms. Colvin was nominated to serve as the Commissioner of the Social Security Administration on June 20, 2014.

Named as one of the Baltimore Sun's 2014 "50 women to Watch," Ms. Colvin brings more than 30 years of senior executive leadership experience to the agency, having led numerous health and human service organizations at the state and municipal levels of government, including serving in various capacities within Social Security. In addition to her role as Acting Commissioner, Ms. Colvin serves as a member of the Social Security Board of Trustees.

As Acting Commissioner, Ms. Colvin oversees one of the largest agencies in the Federal government, with over 60,000 federal employees nationwide plus another 18,000 state employees who make medical determinations in the disability program. The Social Security Administration is responsible for paying over \$800 billion each year in monthly benefits to over 60 million recipients. The agency is also responsible for maintaining the lifetime earnings records of over 165 million workers.

Under Ms. Colvin's leadership, the agency strives to provide excellent customer service in today's tight fiscal climate while positioning itself to deliver services in the future that meet the changing needs of the public. Acting Commissioner Colvin's dedication to public service ensures that the agency provides prompt, accurate, and compassionate service to the American public—whether online, by phone or in a Social Security office. Ms. Colvin consistently reminds the staff that behind every case or number there is a person or family who is depending on the agency for help.

Ms. Colvin received her undergraduate and graduate degrees in Business Administration and an Honorary Doctorate in Public Service from Morgan State University in Baltimore, Maryland. She resides in Odenton, Maryland.