

The Social Security Administration's Demonstration Projects

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Office of Audit Report Summary

Objective

We reviewed six demonstration projects the Social Security Administration (SSA) has conducted since 2010 under section 234 of the *Social Security Act* to (1) summarize information on the demonstration projects' work rules tested and/or services offered, costs, savings, and participant use of incentives and/or services; (2) report any resulting changes that affected SSA's policy or program; and (3) determine whether SSA reported project results to Congress.

Background

SSA administers the Disability Insurance (DI) program for individuals who no longer work because of functional limitations caused by a physical or mental health condition. The *Social Security Act* authorizes SSA to conduct demonstration projects to test changes to the DI program that may encourage disabled beneficiaries to work and reduce their reliance on SSA benefits. The *Ticket to Work and Work Incentives Improvement Act of 1999* and the *Bipartisan Budget Act of 2015* also mandated SSA carry out demonstration projects to test specific work rules. We reviewed six demonstration projects: Accelerated Benefits Demonstration (ABD), Benefit Offset Pilot Demonstration (BOPD), Benefit Offset National Demonstration (BOND), Mental Health Treatment Study, Promoting Opportunities Demonstration (POD), and Youth Transition Demonstration (YTD).

Findings

As of February 2021, SSA had spent approximately \$313 million to conduct and evaluate the six demonstration projects. SSA could expend up to an additional \$19.7 million to complete the projects. To date, none of the demonstration projects has identified any potential savings. Furthermore, SSA determined implementing the tested changes for ABD, BOND, and YTD would be a cost, not a savings, to the Trust Fund.

We also found that, while the demonstration projects' results have not resulted in a direct change in legislation or policy, SSA did use the results to influence the development of legislative proposals in its Fiscal Year 2021 Congressional Justification. For example, one legislative proposal, *Enhance Work and Earnings Opportunities for People with Disabilities*, resulted from POD, BOND, and BOPD. SSA's proposal is to replace existing return-to-work programs and earnings rules with a simple system of offsetting DI benefits based on an earnings structure that is administratively efficient. A second proposal, *Improve Supplemental Security Income Youth in Transition to Work*, was informed by lessons from the YTD project. This proposed change promotes greater self-sufficiency for transition-age youth by reforming the treatment of youths' earnings in the Supplemental Security Income program and allows SSA to refer DI beneficiaries and Supplemental Security Income recipients to vocational rehabilitation services.

Finally, we reviewed SSA's annual submissions to Congress on the status and results of its demonstration projects and found that SSA had complied with the reporting requirement.