



Report to the Chairman, Subcommittee
on Human Resources, Committee on
Ways and Means, House of
Representatives

May 2017

SUPPLEMENTAL SECURITY INCOME

SSA Could Strengthen Its Efforts to Encourage Employment for Transition-Age Youth

Accessible Version

GAO Highlights

Highlights of [GAO-17-485](#), a report to the Chairman, Subcommittee on Human Resources, Committee on Ways and Means House of Representatives

Why GAO Did This Study

The number of individuals with disabilities under age 18 receiving SSI benefits increased by about 44 percent from 2000 through 2016. Youth ages 14 to 17 with disabilities face many challenges achieving self-sufficiency as they transition to adulthood. GAO was asked to examine SSA's efforts to encourage employment for these transition-age youth.

This report examines 1) SSA efforts to encourage employment for transition-age youth on SSI as they move toward adulthood and their effectiveness; and 2) the extent to which SSA helps ensure these youth receive vocational rehabilitation services. GAO analyzed SSA data on work incentives for calendar years 2012-2015, the most recent available, and data from five state VR agencies for calendar year 2015; reviewed relevant laws, policies, and research; and interviewed SSA staff and state VR officials in several states chosen for their SSI youth populations and VR outcomes.

What GAO Recommends

GAO recommends SSA 1) analyze why youth on SSI with earnings did not benefit from SEIE, 2) improve communication about work incentives and rules, 3) work with Education to determine how many youth on SSI are not connected to VR services, and 4) explore options to further connect them. SSA agreed in whole or in part with three recommendations. SSA disagreed that its communication on work incentives and rules needs to be improved, stating field staff provides information to youth, and it has created new written material. GAO maintains SSA's communication could be improved as presented in this report.

View [GAO-17-485](#). For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov

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SSA Could Strengthen Its Efforts to Encourage Employment for Transition-Age Youth

What GAO Found

The Social Security Administration's (SSA) primary approach for encouraging employment for transition-age youth (ages 14 to 17) with disabilities who receive Supplemental Security Income (SSI) is work incentives that allow them to keep at least some of their SSI benefits and Medicaid coverage while they work. But few transition-age youth benefit from these incentives. SSI is a means-tested program that provides cash benefits to eligible low-income aged, blind, and disabled individuals. SSA administers several work incentives that allow SSI recipients to exclude some income and expenses when calculating SSI benefits. The work incentive targeted specifically to younger SSI recipients is the Student Earned Income Exclusion (SEIE), which allows income to be excluded from benefits calculations if a recipient is a student under age 22. However, less than 1.5 percent of all transition-age youth—and generally less than half of those with earnings—benefited from SEIE in 2012 through 2015. SSA does not analyze these data, and thus cannot determine why the majority of youth with earnings are not benefiting from SEIE, when they may be eligible. SSA data also show that almost no youth benefited from other incentives that allow them to exclude earnings used for specific purposes, such as the Impairment-Related Work Expenses incentive. The effectiveness of SSA-administered work incentives may be further limited because, according to SSA and other officials, youth and their families are often unaware of or do not understand them, and may fear that work will negatively affect their benefits or eligibility. SSA policy requires staff to provide accurate and meaningful information about relevant SSI policies to claimants and recipients. However, GAO found that SSA does not have sufficient procedures in place to ensure that information on work incentives and how work affects benefits and eligibility is consistently communicated to youth and their families. As a result, SSA may miss opportunities to promote work incentives and other supports, allay fears, and potentially reduce dependence of transition-age youth on SSI benefits.

SSA does not have a systematic way to connect transition-age youth on SSI to state Vocational Rehabilitation (VR) agencies that provide training and employment services under the VR State Grants program administered by the Department of Education (Education). Although youth receiving SSI are generally presumed to be eligible for VR services, GAO found that less than 1 percent had an open VR service record in 2015 in four of the five states from which GAO collected VR data. Legislation in 1999 created the Ticket to Work and Self-Sufficiency program, which expanded the number and types of employment service providers for individuals with disabilities. However, SSA limited eligibility to recipients age 18 and older. While transition-age youth receiving special education services can be connected to VR agencies through their schools, the extent to which this happens—and whether they are on SSI—is unknown because data to make such determinations are not systematically collected by SSA or schools. Federal standards for internal control call for agencies to use quality information to achieve their objectives. Without relevant data or additional options for connecting youth to VR services, SSA cannot ensure that transition-age youth on SSI are being connected to these services, which can help to prepare them for adulthood and the workforce.

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Abbreviations:

BWE	Blind Work Expenses
CDR	Continuing disability reviews
DAF	Disability Analysis File
DDS	State disability determination services
Education	Department of Education
IDEA	Individuals with Disabilities Education Act
IEP	Individualized education program
IRWE	Impairment-Related Work Expenses
ODD	Office of Disability Determinations
PASS	Plan to Achieve Self-Support
POMS	Program Operations Manual System
PROMISE	Promoting the Readiness of Minors in Supplemental Security Income
RSA	Rehabilitation Services Administration
Section 504	Section 504 of the Rehabilitation Act of 1973
SEIE	Student Earned Income Exclusion
SGA	Substantial gainful activity

SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
Ticket to Work	Ticket to Work and Self-Sufficiency program
VR	Vocational Rehabilitation
WIOA	Workforce Innovation and Opportunity Act
WIPA	Work Incentives Planning and Assistance
YTD	Youth Transition Demonstration

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May 17, 2017

The Honorable Adrian Smith
Chairman
Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

The Supplemental Security Income (SSI) program provides cash payments to eligible low-income individuals with disabilities, including children and teenagers. In December 2016, the Social Security Administration (SSA) paid SSI benefits to over 1.2 million recipients under age 18, and their numbers increased by about 44 percent from December 2000 through December 2016.¹

Transition-age youth (those ages 14 to 17) who receive SSI benefits face numerous challenges achieving self-sufficiency as they move into adulthood.² We previously reported that transition-age youth with disabilities typically leave an environment in which they receive most of their services as entitlements through their schools to one in which services can be more difficult to access.³ Furthermore, according to SSA officials and staff, as well as others, these youth may face real or

¹SSA Monthly Statistical Snapshot, December 2016 (released January 2017). In calendar year 2015, recipients under age 18 made up approximately 16 percent of the total SSI recipients and represented 18.5 percent of federal SSI payments (Social Security Administration, Annual Report of the Supplemental Security Income Program, 2016).

²In this report, we use the term “transition-age” youth to refer to youth ages 14 to 17 receiving SSI because when SSI recipients turn 18, their eligibility for SSI is generally required to be reassessed against adult criteria. Furthermore, our previous work has found that the transition from high school is an especially challenging time for individuals with disabilities because they are often no longer automatically entitled to transition services they received as students under the Individuals with Disabilities Education Act and must apply for and establish eligibility for services as adults, often from multiple agencies.

³GAO, Youth with Autism: Roundtable Views of Services Needed During Transition into Adulthood, GAO-17-109 (Washington, D.C.: Oct. 18, 2016); Students with Disabilities: Better Federal Coordination Could Lessen Challenges in the Transition from High School, GAO-12-594 (Washington, D.C.: July 12, 2012).

perceived disincentives to employment such as fear of losing SSI or health care benefits.⁴

Outcomes associated with the ability of youth receiving SSI to achieve self-sufficiency as they transition to adulthood are poor across several measures. Specifically, these individuals have low employment rates as well as high dropout and arrest rates, when compared to other youth.⁵ Encouraging youth on SSI to prepare for their future as adults, including thinking about employment, is important because research has found that of all SSI recipients found ineligible for benefits after age 18—the age at which SSA is generally required to assess recipients against adult criteria for the program—about 40 percent are unemployed at age 19, and only about a quarter earned enough to replace their lost SSI benefits.⁶ Further, research suggests that individuals who begin receiving SSI prior to age 18 accumulate over 25 years of benefits on average.⁷

Both SSA and the Department of Education (Education) play a role in helping transition-age youth prepare for employment or postsecondary education while in school.⁸ In particular, youth receiving SSI who are students may be eligible for work incentives administered by SSA that allow them to keep some or all of their benefits even if employed. In addition, many of these youth will likely receive transition services through their schools and are generally presumed eligible for services provided by state vocational rehabilitation (VR) agencies under the VR State Grants

4Because youth receiving SSI are also generally eligible for Medicaid, recipients may fear that losing SSI benefits may result in losing health insurance as well.

5Hemmeter, J., Kauff, J., and Wittenburg, D., Changing Circumstances: Experiences of Child SSI Recipients Before and After Their Age-18 Redetermination for Adult Benefits. *Journal of Vocational Rehabilitation* 30 (2009) 201–221. Wittenburg, D. and Loprest, P., Early Transition Experiences of Transition-Age Child SSI Recipients, *Journal of Disability Policy Studies*, Winter 2007; 18, 3.

6Hemmeter, J., Kauff, J., and Wittenburg, D., Changing Circumstances: Experiences of Child SSI Recipients Before and After Their Age 18 Redetermination for Adult Benefits. *Journal of Vocational Rehabilitation* 30 (2009) 201–221.

7Rupp, K. and Scott, C., Length of Stay on the Supplemental Security Income Disability Program. *Social Security Bulletin*, Vol. 58, No. 1, Spring 1995.

8Other federal agencies, including the Departments of Labor and Health and Human Services, play a role in assisting youth transition to the workforce. For example, the Department of Labor's Job Corps and Youth Discretionary Grants support employment of youth, and its American Jobs Center system supports employment of youth and others.

program administered by Education.⁹ Given the low employment rates of these youth, we were asked to examine SSA's efforts to encourage employment for transition-age youth on SSI.

This report examines: (1) how SSA encourages employment for transition-age youth on SSI as they move toward adulthood, and the effectiveness of these efforts, and (2) the extent to which SSA helps ensure that transition-age youth on SSI receive vocational rehabilitation services.

To address these objectives, we reviewed relevant federal laws, regulations, and policies on SSA-administered work incentives and supports that are relevant to transition-age youth on SSI, as well as federal laws related to vocational rehabilitation (VR) services provided by state agencies and transition services provided by schools. To identify SSA's approaches for encouraging work among transition-age youth and to assess their effectiveness, we reviewed SSA documents and interviewed SSA officials.¹⁰ We reviewed SSA data on the number of youth ages 14 to 17 using work incentives. Specifically, we analyzed data on the work incentive targeted to youth, the Student Earned Income Exclusion (SEIE), which allows an SSI recipient who is a student to earn additional income before his or her benefits are reduced, as well as other SSA-administered work incentives. We analyzed data for 2012 through 2015, the most recent data available.

In addition, to further understand SSA's approaches and the effectiveness of work incentives available to transition-age youth, we conducted a broad literature search and review on research or studies pertaining to SSA work incentives and demonstration projects that pertain to transition-age youth and reviewed information provided to youth and their families by SSA in-person and by mail. To inform both of our objectives, we visited two states—Florida and New York—where we interviewed local SSA field

⁹The Rehabilitation Act of 1973, as amended by the Workforce Innovation and Opportunity Act, sets the eligibility requirements for VR services. To be eligible, an individual must be an "individual with a disability," which means that the individual (1) has a physical or mental impairment which constitutes or results in a substantial impediment to employment for the individual, and (2) can benefit in terms of an employment outcome from VR services; and the individual must also require VR services to prepare for, secure, retain, advance in, or regain certain employment. Individuals receiving SSI are generally presumed to meet these requirements.

¹⁰In the report, when we refer to SSA officials, we mean knowledgeable individuals in SSA's central offices.

office technical or supervisory staff,¹¹ school district personnel, Work Incentives Planning and Assistance (WIPA) project staff, and other stakeholders.¹² We selected these states because we wanted to obtain information from officials in a state that was participating in the ongoing Education-led Promoting the Readiness of Minors in Supplemental Security Income (PROMISE) initiative (New York) and in a state of similar size that is not participating in the initiative (Florida).¹³ We also interviewed SSA staff in a field office in California to gather additional information. All three states are among the states with the largest populations of SSI recipients and transition-age youth on SSI. To understand SSA's efforts to help ensure youth are connected to VR services, we interviewed and obtained information from cognizant SSA and Education officials and state VR agency staff in five states—Florida, New Mexico, New York, Oklahoma, and Washington—selected based on variation in the size of the youth population served, employment outcomes, and geographic diversity. We also analyzed data from these VR agencies on the number of youth on SSI they served. We assessed the reliability of data we received from SSA, Education, and state VR agencies by interviewing knowledgeable officials and reviewing relevant documentation and found them to be sufficiently reliable for the purposes of our reporting objectives. (See app. I for more information on our scope and methodology).

We conducted this performance audit from February 2016 to May 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

¹¹In the report, when we refer to SSA staff, we mean SSA field office personnel, which generally included staff with technical expertise, but also included supervisory and managerial staff.

¹²WIPA projects are funded by SSA and provide community-based work incentive expertise to beneficiaries of Social Security Disability Insurance (SSDI) or SSI benefits based on disability.

¹³The PROMISE initiative is a joint initiative of the departments of Education, Health and Human Services, Labor, and the Social Security Administration. Under PROMISE, Education is funding states that have developed model demonstrations to promote positive outcomes for youth ages 14 to 16 who receive SSI and for their families. SSA is responsible for funding the PROMISE demonstration evaluation. PROMISE began in 2013. A draft interim impact and services report is expected to SSA by 2018, and a draft of the final evaluation is expected to SSA in winter 2022.

the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

SSI

SSA administers the SSI program, one of the largest federal programs providing assistance to people with disabilities. The SSI program was established in 1972 under Title XVI of the Social Security Act.¹⁴ The program provides cash benefits to low-income individuals, including children and youth, who meet financial eligibility requirements and who are blind or have disabilities. In December 2016, SSA paid SSI benefits to over 8.25 million individuals, including more than 1.2 million under age 18. In calendar year 2015, SSA paid almost \$55 billion in SSI benefits. The average monthly payment in December 2016 was \$542; however, the average payment for recipients under 18 was higher (\$650).¹⁵ According to SSA, in many states, eligibility for SSI also confers eligibility for Medicaid benefits.¹⁶

¹⁴The SSI program was established by the Social Security Amendments of 1972 and became effective in 1974. Pub. L. No. 92-603, § 301, 86 Stat. 1329, 1465 (codified as amended at 42 U.S.C. §§ 1381-1383f).

¹⁵For the SSI program, SSA defines income as anything the recipient receives that can be used to meet their needs for food or shelter. It may be cash or in-kind income, such as food or shelter. The maximum individual benefit (\$735 per month in calendar year 2017, up from \$733 in calendar year 2016) is referred to as the federal benefit rate (FBR). Countable income is what remains after eliminating all amounts not considered income and applying all appropriate income exclusions. Countable income is then subtracted from the monthly federal benefit rate to determine how much a recipient or claimant's SSI payment should be.

¹⁶According to SSA, in 18 states SSI does not confer automatic eligibility for Medicaid; however, SSI applicants who are not categorically eligible for SSI may be Medicaid-eligible, depending on state eligibility rules.

SSI Eligibility, Continuing Disability Reviews, and Redeterminations

To be eligible for SSI on the basis of disability, an individual must meet both financial and medical requirements. To determine eligibility, SSA staff, located in more than 1,200 field offices across the country, review SSI applications and verify financial eligibility.¹⁷ Following SSA's initial review, state disability determination services (DDS) offices assess applicants' medical eligibility for SSI.¹⁸ SSI has two sets of medical eligibility requirements to determine disability; one for adults (individuals age 18 and older) and one for individuals under 18. To be considered disabled, individuals under age 18 must have a medically determinable physical or mental impairment (or combination of impairments) that causes marked and severe functional limitations and that has lasted or is expected to last for a continuous period of at least 12 months or result in death.¹⁹ For adults to be considered disabled, they must have a medically determinable physical or mental impairment (or combination of impairments) that prevents them from doing any substantial gainful

¹⁷To be financially eligible for SSI, individuals must meet income and resource requirements. Specifically, in 2016, the monthly countable income of an eligible individual or eligible married couple must have been less than the maximum federal SSI benefit rate of \$733 per month for an eligible individual and \$1,100 per month for an eligible married couple. In addition, an individual's or couple's monthly countable resources must generally be \$2,000 or less for an individual or \$3,000 or less for a married couple living together in 2016. Certain resources, such as a recipient's home and vehicle, are excluded from countable resources. In cases in which a parent has resources, under certain circumstances some of those resources are counted when determining their child's eligibility for SSI. This is known as "deeming." Deeming stops the month after a child turns age 18.

¹⁸State disability determination services, which are fully funded by the federal government, are state agencies responsible for developing medical evidence and making the initial determination on whether or not a claimant is disabled or blind under the law. See <https://www.ssa.gov/disability/determination.htm>.

¹⁹42 U.S.C. § 1382c(a)(3)(C). If a child is blind, he or she must meet the same definition of blindness as applies to adults.

activity (SGA), and that has lasted or is expected to last for a continuous period of at least 12 months or result in death.²⁰

SSI recipients, including those under age 18, undergo periodic continuing disability reviews (CDR) to ensure they continue to meet medical eligibility criteria. When a DDS first finds an individual medically eligible for SSI, it also assesses the likelihood that his or her disability will improve and, depending on that likelihood, develops a schedule for future CDRs. For SSI recipients under age 18 whose impairment is considered likely to improve, federal law requires SSA to conduct a CDR at least once every 3 years.²¹ Under SSA policy, in cases in which medical improvement is not expected, a CDR is scheduled once every 5 to 7 years.²² During these CDRs, DDS collects evidence such as medical and educational records to determine whether the individual continues to meet medical eligibility criteria based on their disability. In addition, SSA also periodically conducts redeterminations on a sample of SSI case files to determine whether individuals continue to meet financial eligibility requirements. All SSI recipients are required to report certain information to SSA to help ensure that they continue to receive the correct benefit amounts. For example, SSI recipients must notify SSA when their earnings change and this reported information, in turn, may trigger a redetermination.

Federal law also requires that SSI recipients undergo a redetermination at age 18 to evaluate whether they meet adult (rather than youth) medical eligibility criteria.²³ At the same time, SSA assesses whether the recipient continues to meet nonmedical (financial) eligibility requirements. This redetermination generally occurs within the year after a youth turns 18. If

2042 U.S.C. § 1382c(a)(3). The impairment must be of such severity that the individual is not only unable to do his or her previous work, but also cannot engage in any other kind of substantial gainful work which exists in the national economy. Substantial gainful activity is generally work activity involving significant physical or mental activities that are done for pay or profit, whether or not a profit is realized. 20 C.F.R. § 416.972. A person who is earning more than a certain monthly amount is ordinarily considered by SSA to be engaging in substantial gainful activity. For 2016, the substantial gainful activity threshold was \$1,820 per month for blind recipients and \$1,130 per month for individuals with other disabilities.

2142 U.S.C. § 1382c(a)(3)(H)(ii)(I).

22Infants determined to be eligible for SSI due in part to low birth weight are generally to have a CDR within 12 months of birth. Children with a disability that is expected to improve are to be scheduled for a CDR at 6 to 18 month intervals under SSA policy. SSA may also conduct unscheduled CDRs if questions arise about a recipient's disability.

2342 U.S.C. § 1382c(a)(3)(H)(iii).

SSA determines a recipient does not meet adult eligibility criteria, he or she receives an unfavorable redetermination and ceases to receive SSI benefits.²⁴ SSA reported that in fiscal year 2015, almost 57 percent of age 18 redeterminations resulted in an initial unfavorable determination by DDS; however, approximately half of those decisions were appealed, so the final percent with unfavorable redeterminations is likely lower.²⁵

Vocational Rehabilitation

Education's VR State Grants program, authorized under the Rehabilitation Act of 1973, as amended, assists individuals with disabilities, including transition-age youth who may also be receiving SSI, find and keep employment, among other things. This program, administered by Education's Rehabilitation Services Administration (RSA) within the Office of Special Education and Rehabilitative Services, is the largest program authorized under this Act²⁶ and provided approximately \$3.1 billion in formula grants to state VR agencies in fiscal year 2016. The grants support a wide range of services, individualized based upon the needs of the eligible individual with a disability, including: assessments; counseling, guidance, referrals, and job placements; vocational and other training; transportation; and, in certain circumstances, postsecondary education and training.²⁷ Individuals must apply and be determined eligible by the state VR agency to receive individualized VR services. If VR agencies lack the financial and staff resources to serve all eligible individuals in the state, they are generally required to prioritize individuals

24Individuals who receive an unfavorable age 18 redetermination may appeal the decision. In addition, individuals who receive an unfavorable age 18 redetermination may continue to receive SSI benefits for some time under certain circumstances, for example, if they are participating in appropriate vocational rehabilitation or individualized education programs and SSA determines that continued participation will increase the likelihood that they will be permanently removed from the disability rolls.

25According to a 2015 study, SSA eventually ceased eligibility in 37 percent of age 18 redeterminations that occurred in fiscal year 2009 (a year for which 98 percent of reviews have now had a final decision rendered). Hemmeter, J. and Bailey, M.S., Childhood Continuing Disability Reviews and Age-18 Redeterminations for Supplemental Security Income Recipients: Outcomes and Subsequent Program Participation, Social Security Administration, Research and Statistics Notes, No. 2015-03, October 2015.

26Congressional Research Service, Rehabilitation Act: Vocational Rehabilitation State Grants, R43855 (Washington, D.C.: Dec. 30, 2014).

27States are generally required to provide 21.3 percent of total expenditures, except the state share is 50 percent for the cost of construction of a facility for community rehabilitation program purposes.

with the most significant disabilities.²⁸ Individuals receiving disability benefits, including transition-age youth on SSI, are generally presumed eligible for VR services and considered individuals with a significant disability. However, depending on their disability, including level of functional impairment, SSI recipients may not be considered as having a “most significant” disability by the VR agency; and, if the VR agency has implemented an order of selection, the individual may be put on a waiting list to receive services.

In 2014, the Workforce Innovation and Opportunity Act (WIOA) was enacted, which, among other things, amended the Rehabilitation Act of 1973 and required VR agencies to provide additional services to students and youth with disabilities.²⁹ Specifically, WIOA requires that states reserve at least 15 percent of their state’s allotment of federal VR funds for the provision of pre-employment transition services to students with disabilities. To receive pre-employment transition services, a student with a disability need only be potentially eligible for VR services and does not have to apply to VR.

Schools’ Role in Transition Planning for Youth with Disabilities

The Individuals with Disabilities Education Act (IDEA) provides formula grants to states, which pass them to eligible local education agencies to assist in providing special education and related services. IDEA generally requires schools to provide special education and related services to students with disabilities specified under IDEA.³⁰ For each student with an IDEA-specified disability, schools must establish an individualized education program (IEP) team that generally includes the child’s teacher and other school and school district personnel, the student’s parents, the student (as appropriate), and, at the discretion of the parent or public

²⁸In cases in which a VR agency must close certain eligibility categories because it is unable to provide services to all eligible applicants, it is said to be in “order of selection status.”

²⁹WIOA was intended, in part, to increase access to and opportunities for employment, education, training, and support services for individuals with barriers to employment.

³⁰Under IDEA, disabilities include intellectual disabilities, hearing impairments (including deafness), speech or language impairments, visual impairments (including blindness), serious emotional disturbance, orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities. 20 U.S.C. § 1401(3).

agency, others with relevant knowledge, including related service providers. The IEP team is required to develop a written IEP for each student that includes, among other information, a statement of the student's academic achievement and functional performance, measurable academic and functional goals, and the special education and related services to be provided. Also under IDEA, beginning with the first IEP to be in effect when a student turns 16, or earlier if determined appropriate by the IEP team, and updated annually thereafter, the IEP must include, among other things, appropriate, measurable postsecondary goals for training, education, employment, and, where appropriate, independent living skills, and transition services needed to help the student reach these goals. Schools may invite representatives from VR agencies to these transition planning meetings.³¹

Students with disabilities who do not qualify for special education and an IEP under IDEA may qualify for services under section 504 of the Rehabilitation Act of 1973, as amended (section 504).³² Education's section 504 regulations require school districts to provide qualified students regular or special education and related aids and services designed to meet the educational needs of students with disabilities as adequately as the needs of students without disabilities are met. Transition services may be documented in a 504 plan, but they are not a requirement of such plans.³³

³¹Students and transition-age youth may receive transition services—including employment-related services—through other federal agencies and local service providers.

³²Section 504 prohibits discrimination on the basis of disability by recipients of federal financial assistance.

³³Aside from section 504 and IDEA requirements, individuals can be referred to VR agencies by other school personnel, agencies, or service providers, or self-refer.

SSA's Efforts to Encourage Employment Reach Few Transition-Age Youth and SSA Does Not Consistently Convey Information About Working

SSA Administers Work Incentives, but Few Transition-Age Youth Benefit from Them

SSA's role in encouraging employment for transition-age youth on SSI as they move into adulthood is focused on administering work incentives and other employment supports that allow them to keep at least some of their benefits even if they have earnings. However, very few youth on SSI benefit from these supports.

As a provider of means-tested transfer payments, SSA does not provide direct employment services to SSI recipients, including youth on SSI.³⁴ However, for recipients who want to work, the SSI program is designed to support their efforts and reduce their reliance on benefits, according to SSA's Annual Report of the Supplemental Security Income Program.³⁵ Federal law provides several work incentives and other employment supports that help SSI recipients—including youth—to enter, re-enter, or stay in the workforce. Most transition-age youth are also students, and the importance of education is emphasized by the primary work incentive for this population, the Student Earned Income Exclusion (SEIE), which encourages work, but requires recipients to attend school to be eligible for the exclusion. SSA also administers other work incentives and employment supports that are available, but not targeted to transition-age youth. See table 1 for a list of key work incentives and employment supports available to this population.

³⁴Direct employment services such as school-based preparatory services, work-based learning experiences, and family involvement and supports have been found to be best practices in helping youth with disabilities transition to adulthood. National Collaborative on Workforce and Disability, *Guideposts for Success*, Second Edition.

³⁵Social Security Administration. Annual Report of the Supplemental Security Income Program, 2016.

Table 1 (Part 1 of 3): Key Employment Supports That Allow Supplemental Security Income (SSI) Recipients to Continue Receiving SSI Benefits While They Work, Calendar Year 2017 - Work incentives that exclude income from calculation of benefits

Employment Supports	Description	Who is Eligible
Earned Income Exclusion	SSA excludes the first \$65 of earned income received in a month, plus one-half of the remaining earned income. This exclusion is applied in addition to the \$20 general income exclusion, which applies to earned and unearned income.	All SSI recipients with earnings.
Student Earned Income Exclusion (SEIE)	SSA excludes up to \$1,790 of earned income per month when figuring SSI recipients' benefit amount. The maximum yearly exclusion for 2017 is \$7,200. The SEIE is applied before the general income exclusion or the earned income exclusion.	SSI recipient under age 22 with earnings who is also a student attending school regularly.

Table 1(Part 2 of 3): Key Employment Supports That Allow Supplemental Security Income (SSI) Recipients to Continue Receiving SSI Benefits While They Work, Calendar Year 2017 - Work incentives that exclude work-related expenses or certain income needed for work

Employment Supports	Description	Who is Eligible
Impairment-Related Work Expenses (IRWE)	SSA deducts the cost of certain impairment-related items and services, such as medicines, medical devices, and service animals, that SSI recipients need to work from gross earnings. The IRWE is excluded from their earned income when determining monthly SSI benefits.	Non-blind SSI recipients with certain impairment-related services and items needed for work.
Blind Work Expenses (BWE)	SSA excludes any earned income used to meet expenses that SSI recipients need to earn income.	Blind SSI recipients with deductible work expenses.
Plan to Achieve Self- Support (PASS)	PASS allows the setting aside of income for a specified period of time so that SSI recipients may pursue a work goal that will reduce or eliminate the need for SSI benefits. Income that is set aside is not included when determining monthly SSI benefits.	SSI recipients with a feasible work goal, specific savings or spending plan, and clearly identifiable accounting for the funds that he or she sets aside. Plan must be approved by SSA.

Table 1 (Part 3 of 3): Key Employment Supports That Allow Supplemental Security Income (SSI) Recipients to Continue Receiving SSI Benefits While They Work, Calendar Year 2017 - Other provisions that allow SSI recipients to maintain SSI or medical benefits

Employment Supports	Description	Who is Eligible
Continued Payments under Vocational Rehabilitation or similar program (Section 301)	Allows individuals to continue to receive SSI benefits in certain circumstances, such as when they are enrolled in an appropriate vocational rehabilitation (VR) program, are between 18 and 21 years old and have an individualized education program (IEP), or have a PASS.	SSI recipients who are found to no longer be disabled due to medical improvement or who are 18 years old and do not meet adult disability requirements, and who are participating in an appropriate VR program or similar services and whose participation in the program will increase the likelihood of permanent removal from the disability rolls.
Special SSI Payments for Persons Who Work and Medicaid While Working	SSA provides special SSI payments for disabled individuals with earned income above the substantial gainful activity (SGA) level. Provides SSI "recipient status" for the purpose of Medicaid eligibility.	Certain SSI recipients who would cease to be eligible because of earnings over SGA as long as they meet specific conditions.

Source: Social Security Administration (SSA) Annual Report of the Supplemental Security Income Program 2015 and Social Security Administration 2016 Red Book: A Summary Guide to Employment Supports for Persons with Disabilities under the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Programs. | GAO-17-485

SEIE

Few transition-age youth on SSI benefit from SEIE—the only SSA-administered work incentive targeted specifically to younger SSI recipients.³⁶ SEIE allows SSI recipients under age 22 who also regularly attend school, college, university, or vocational or technical training to exclude a portion of their earnings—\$1,790 a month, up to \$7,200 a year, in 2017—from their countable income for the purposes of determining SSI eligibility and benefit amounts.³⁷ Based on data provided by SSA, we found that 1.3 percent and 1.4 percent of all transition-age youth (ages 14

³⁶In addition to potentially encouraging work, the SEIE is intended to help defray the cost of educational training, according to SSA.

³⁷In 2016 these amounts were \$1,780 and \$7,180, respectively.

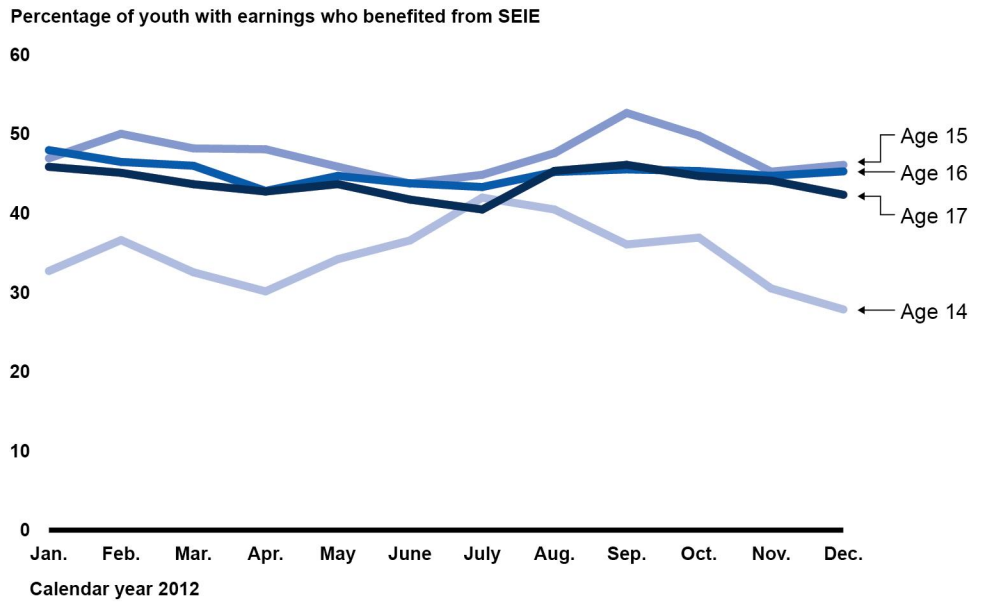
to 17) on SSI had income excluded under SEIE in calendar years 2012 and 2013, respectively.³⁸

Our analysis of SSA data further suggests the possibility that some youth who may be eligible may not be benefiting from this SSI provision. SSA data show that few transition-age youth benefit from SEIE, in part, because few have earned income. For example, in 2012, 3.3 percent (15,234 out of 455,363) of transition-age youth reported earned income. However, our analysis of SSA data found that even among those transition-age youth with earned income, most often less than half benefited from SEIE. The percentage of youth with earnings who benefited from SEIE in 2012 varied by age and month, but ranged from a

³⁸In 2012, 6,093 transition-age youth out of 455,363 total, and in 2013, 6,255 out of 460,436 total, benefited from SEIE. We report data from 2012 and 2013 even though more recent data are available because SSA officials told us that data on recipients, earnings, and income exclusions can be updated retroactively, therefore, the most recently available data do not reflect a complete picture of the number of recipients with earnings or who benefited from the SEIE. Officials told us that although data adjustments can occur at any point, data from more than 2 years ago do not generally change significantly. While data from 2014 and 2015, the most recent full years of data available, may change, these data show a similar percentage of transition-age youth on SSI benefited from SEIE, 1.4 and 1.2, respectively. SSA officials also told us that while producing data we requested, the agency discovered a small proportion of cases for which earnings and work incentive data are not being correctly transferred from one data file to another. SSA officials estimated the undercount to affect approximately 0.1 percent of the overall population of transition-age youth ages 14 to 17, and approximately 5 percent of those with earnings, which suggests that the number of youth with earnings and benefiting from SEIE may be slightly larger than reported. According to SSA officials, this error affects only research statistics, not benefit payments to SSI recipients.

low of 28 percent to a high of 53 percent.³⁹ (See fig. 1.) These percentages were similar in 2013 through 2015.⁴⁰

Figure 1: Percentage of Transition-Age Youth (Ages 14-17) on Supplemental Security Income with Earnings Who Benefited from the Student Earned Income Exclusion (SEIE), by Age, Calendar Year 2012



Source: GAO analysis of Social Security Administration data. | GAO-17-485

Note: According to SSA officials, a previously unknown error in SSA's data transfer process resulted in a small proportion of cases in which earnings and work incentive data were not correctly

³⁹The low was for 14-year-olds in December and the high was for 15-year-olds in September. In only 2 months did 40 percent or more of 14-year-olds with earnings received SEIE in calendar year 2012. For 15-, 16-, and 17-year-olds, the percentage of those with earnings who received SEIE was in the 40s in almost every month. Because the SEIE has an annual cap, some recipients may reach the cap before the end of the calendar year and no longer be eligible for the exclusion. According to SSA, these recipients would still be captured as having received SEIE in the months in which they received it before reaching the annual cap. In addition, previous research found that few reach this cap. According to this research, in most cases, SEIE recipients' earned income was much lower than the calendar-year SEIE limit. Almost one-third of SEIE recipients used less than 10 percent of the annual limit, and approximately half used less than 20 percent. Only about 2 percent of SEIE recipients used between 80 percent and 90 percent of the annual limit. Kemp, M., Recipients of Supplemental Security Income and the Student Earned Income Exclusion, Social Security Bulletin, Vol. 70, No. 2, 2010.

⁴⁰As noted, data for more recent years is more likely to change. However, given the similarity in the percentages of previous years, it seems unlikely that the percentage of youth with earnings who received SEIE will change significantly.

transferred from one data file to another. SSA officials estimated this issue affects approximately 0.1 percent of the overall population of transition-age youth ages 14 to 17, and approximately 5 percent of those with earnings. This should not substantially affect the percentage of youth with earnings receiving SEIE.

Given that SEIE should be applied automatically for all eligible students who have reported earned income, SSA officials offered the following possible reasons, other than SSA user or system error, for why youth with earnings might not have benefited from SEIE: they were not students or they did not report their student status to SSA. However, previous research found more than 94 percent of transition-age youth on SSI reported being enrolled in school.⁴¹ Further, although some youth on SSI may not report their student status, SSA policy instructs staff to develop and verify school attendance for youth under 18 who report that they expect to earn over \$65 in a month.⁴² SSA also has procedures for capturing an individual's student status during his or her initial application and during a redetermination. Despite these procedures, the fact that many youth with earnings are not receiving SEIE suggests that SSA may not be confirming student status or applying SEIE in a timely manner or in accordance with policy.

SSA officials told us that the agency does not regularly analyze SEIE data and said they do not believe doing so would help them better understand SEIE's effectiveness or reach.⁴³ However, our recent data request uncovered potential undercounting of earnings and SEIE use. Federal standards for internal control state that an agency should identify, analyze, and respond to risks related to achieving its objectives.⁴⁴ Absent this analysis, SSA cannot know the extent to which various factors may contribute to the low percentage of transition-age youth with earnings receiving SEIE, or whether errors made by staff or data system errors are

41Wittenburg, D. and Loprest, P., Early Transition Experiences of Transition-Age Child SSI Recipients, New Evidence From the National Survey of Children and Families, *Journal of Disability Policy Studies*, Winter 2007.

42SSA Program Operations Manual System (POMS). SI 00501.020 Student – SSI. Effective dates, Jan. 15, 2016 to present.

43We identified only one study about SEIE uptake through our literature review. Estimates presented in this study indicate that in 2005, the most recent year examined, out of more than 493,000 youth ages 12 to 17 on SSI, 7,320 received SEIE. The study also reported that SSA had not published detailed statistics on SEIE. Kemp, M., Recipients of Supplemental Security Income and the Student Earned Income Exclusion, *Social Security Bulletin*, Vol. 70, No. 2, 2010.

44GAO, Standards for Internal Control in the Federal Government, GAO-14-704G (Washington, D.C.: September 2014).

precluding some SSI recipients from receiving an income exclusion for which they are eligible.

Other Employment Supports

Similarly, the number of transition-age youth on SSI who benefited from other SSA-administered work incentives and employment supports was either unknown or low. For example, SSI's Earned Income Exclusion, which excludes the first \$65 of income earned each month from benefit calculations and half of earnings after that, is available to the broadest set of SSI recipients with earnings. However, SSA officials told us that SSA has not conducted analysis to determine the extent to which transition-age youth on SSI benefit from this incentive. SSA officials told us that their systems automatically apply this exclusion to any earned income remaining after the SEIE has been applied and that any individual with earned income (whether or not the SEIE applies) automatically receives this exclusion.⁴⁵

SSA data for Impairment-Related Work Expenses (IRWE), Blind Work Expenses (BWE), and the Plan to Achieve Self-Support (PASS) show low uptake by transition-age youth on SSI for each of these provisions as well. For example, SSA data show that no transition-age SSI recipients benefited from IRWE or BWE and no more than five had a PASS in any calendar year 2012 through 2015, the most recent data available. SSA staff at three field offices told us that, in their view, use of PASS by transition-age youth may be low because it is complex and has many requirements, including that the recipient develop long-term career goals.⁴⁶

Another provision of federal law—referred to as the section 301 provision—allows certain individuals to continue receiving SSI benefits

⁴⁵For eligible recipients, the SEIE is the first income exclusion applied. The General Income Exclusion and Earned Income Exclusion are applied to any income remaining after the SEIE is applied. Recipients with earnings who are not eligible for SEIE would generally receive the General Income Exclusion and Earned Income Exclusion.

⁴⁶In our review of academic literature, we did not identify any studies conducted within the last 10 years that discussed usage rates of IRWE, BWE, or PASS among youth on SSI or whether they were effective in encouraging work. We identified one study of PASS from 1998 that reported a decline in the number of active PASSes from December 1995 to September 1997 due to administrative changes. Berry, H., *Analyzing a Work Incentive: The Plan for Achieving Self-Support and School-to-Work Transition*, Career Development for Exceptional Individuals, Vol. 21, No. 1, 1998.

even when SSA determines through an age 18 redetermination or CDR that they no longer have a medical disability.⁴⁷ For example, recipients may retain their benefits if they are 18 to 21 years old and are receiving special education and related services through an IEP, or if they have a PASS, or if they are enrolled in VR or a similar program and meet other requirements. The possibility of these continued payments underscores the importance of ensuring transition-age youth are aware of the section 301 provision and of the services that qualify them for it, such as IEPs, PASS, and VR. In 2015, the most recent year for which data are available, about 1,200 adults ages 18 and 19 benefited from this provision. SSA officials told us that this provision has not been widely used because eligibility through an IEP only applies to individuals ages 18 through 21, and because few youth under 18 were likely served by VR agencies.⁴⁸ However, SSA officials were unable to provide data on the number of individuals who applied for and ultimately did not benefit because the agency does not maintain these data in a format that would allow for this type of analysis.

Lastly, other legal provisions may encourage work by allowing SSI recipients to maintain SSI benefits or Medicaid even if they earn over SGA, in certain circumstances, but the number of transition-age youth who benefit from these provisions is not known.⁴⁹ Specifically, SSA does not analyze data to determine the extent to which transition-age youth may maintain SSI benefits or Medicaid under these provisions. Because youth typically do not exceed SGA, the number affected is likely small, according to SSA officials.

⁴⁷This provision is so referred because it was originally put in place by section 301 of the Social Security Disability Amendments of 1980, which made numerous amendments to the Social Security Act. See Pub. L. No. 96-265, § 301(b), 94 Stat. 441, 450 (1980), codified as amended at 42 U.S.C. § 1383(a)(6). SSA's Office of Disability Operations makes these determinations.

⁴⁸Education officials noted that since the enactment of WIOA's amendments to the Rehabilitation Act of 1973, VR agencies are serving many youth under 18 through pre-employment transition services.

⁴⁹42 U.S.C. §§ 1382h and 1396a(a)(10)(A)(i). To qualify for continuing SSI payments and Medicaid coverage, recipients must have been eligible for SSI payments for at least 1 month before working at SGA level, still be disabled, and meet all other eligibility rules, including income and resources tests. To qualify for continued Medicaid coverage, recipients must have been eligible for an SSI payment for at least 1 month, be eligible for SSI payment except for earnings, still be disabled, still meet all other eligibility rules (including the resources test), need Medicaid in order to work, and have earned income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care.

Demonstration Projects

SSA has been involved in two initiatives to test ways to encourage employment of transition-age youth. The SSA-sponsored Youth Transition Demonstration (YTD) did not result in changes to SSA's work provisions, according to SSA officials. The Promoting the Readiness of Minors in Supplemental Security Income (PROMISE) initiative, led by Education, is ongoing.

SSA's YTD targeted individuals ages 14 to 25 at six demonstration sites who received or were likely to receive SSI or Social Security Disability Insurance (SSDI) benefits.⁵⁰ YTD tested the impact of various waivers of SSA-administered work incentive rules in combination with a range of strategies and work supports on employment, income, and other outcomes.⁵¹ According to the YTD final evaluation in 2014, all six site locations were required to include certain program components, such as work-based experiences; benefits counseling; family supports, including transition-related information; and connections to service providers, including health care and transportation services. The sites had flexibility in the approaches they used to implement those program components.⁵²

The final evaluation showed inconsistent results and SSA was unable to determine whether waivers contributed to positive outcomes at some sites. On the positive side, site-specific interim evaluations showed that, after 1 year, YTD increased participants' use of benefits and incentive counseling, and their awareness of at least some work incentives, at all six sites. YTD also increased participants' understanding of the effects of work on SSI benefits, medical coverage, or both, at three sites.⁵³

50There were approximately 5,000 youth in the YTD sample across the six sites.

51There was a first phase with seven YTD projects in 2003 and a second phase with five projects in 2007. Three projects from each of these phases were selected to be included in the national random impact study, for a total of six sites. SSA waivers tested under YTD included making the Earned Income Exclusion more generous by allowing YTD participants to exclude from countable income three-quarters of earnings over \$65 a month rather than one-half of such earnings. It waived the 21-year-old age limit for SEIE. It also allowed participants to use PASS for additional purposes and loosened requirements for receiving payments under section 301, among other changes.

52Fraker, T., et al. Final Report on the Youth Transition Demonstration Evaluation, Mathematica Center for Studying Disability Policy, Nov. 11, 2014.

53Interim reports present first-year evaluation findings for each project site. The final evaluation presents findings after 3 years.

However, the final 2014 YTD evaluation report found mixed results.⁵⁴ For example, two of the six sites showed positive impacts on employment, two sites showed positive impacts on annual earnings, and two sites showed positive impacts on participation in productive activities, such as education, employment, or training.⁵⁵ However, none of the sites saw an improvement in these 14- to 25-year olds' self-determination and one site saw an increase in delinquency.⁵⁶ Moreover, SSA officials told us that the final evaluation could not determine the extent to which changes to work incentives had led to any of the positive effects experienced at some sites. SSA officials said that because all YTD participants were eligible for work incentive waivers and other services, isolating the effects of changes to work incentives from the effects of the other services was not possible.⁵⁷ SSA officials also said they have not made program changes based on YTD results, but that YTD informed the development of the PROMISE initiative. Officials said SSA is conducting an internal study of YTD to assess longer term outcomes, which they hope to complete by the end of 2017.

SSA is currently a partner in the ongoing PROMISE initiative, which is being led by Education.⁵⁸ Through PROMISE, Education provided funds

54Fraker, T., et al. Final Report on the Youth Transition Demonstration Evaluation, Mathematica Center for Studying Disability Policy, Nov. 11, 2014.

55The evaluation's findings of statistically significant positive impacts on primary outcomes in the domain of paid employment and earnings in the third year following enrollment in two sites are based on youth survey responses that encompass both formal and informal jobs. The evaluation's findings based on IRS records show no significant impacts on formal employment or earnings in these sites in the third calendar year following enrollment. The final evaluation also reported that five sites showed an increase in total income, but this income also included SSI cash benefits.

56According to the YTD final evaluation report, program sites were offered technical assistance focused on helping project staff network with employers to identify competitive paid jobs and match youth with appropriate jobs. Researchers involved in the YTD evaluation noted that some sites were more open to receiving this technical assistance than others and suggested this might have resulted in positive outcomes in some instances.

57Officials noted that a relatively small percentage of demonstration participants used the work incentives, suggesting that the services drove the impacts. The YTD final report states that changes to work incentives were a good recruiting tool for YTD, but that future evaluations of interventions that include work incentives should consider specifying that the waiver period is shorter than the evaluation's follow-up period, which would allow for an assessment of the intervention's impacts during the post-waiver segment of the evaluation.

58In addition to Education and SSA, the departments of Labor and Health and Human Services are partners in the PROMISE initiative.

to selected states to design and implement demonstration projects to improve outcomes for youth on SSI and their families. PROMISE targets transition-age youth who are 14, 15, and 16 years old and receiving SSI and their families with interventions including vocational rehabilitation, case management, benefits counseling, financial literacy training, career and work-based learning experiences, and parent training and information. SSA provided data on youth receiving SSI to the PROMISE demonstration projects for enrollment purposes, is funding the PROMISE research evaluation of the demonstration, and, according to SSA officials, is providing technical assistance regarding SSA policies to project sites. SSA does not have a role in direct delivery of services. Education awarded six 5-year PROMISE grants in 2013, with most projects beginning services within the first year. An interim impact report is scheduled for release in summer 2018, and a long-term evaluation is scheduled for winter 2022. During our New York site visit, we spoke with staff from organizations providing services under the PROMISE initiative who told us that, although they did not yet have outcome data, their early observations suggest positive effects, such as that youth are engaged, families are interested in having their children work and in receiving services to encourage work, and PROMISE is creating a more collaborative environment among service providers, VR, and schools.

SSA Misses Opportunities to Convey Information to Encourage Work and Allay Fears that Work May Result in Loss of Benefits

According to SSA officials, VR staff, and other stakeholders with whom we spoke, transition-age youth and their families are often unaware of or do not understand SSA-administered work incentives and supports, and may fear that working will negatively affect their SSI or Medicaid benefits.⁵⁹ Although we were unable to identify recent research or data corroborating these perspectives, a 2007 study using data collected in 2001 and 2002, found that only 22 percent SSI recipients ages 14 to 17 knew about the work incentives or discussed them with an SSA representative.⁶⁰ Experts believe this lack of knowledge and associated

⁵⁹There are many factors that may influence working or attempting to work, or create barriers to work. Examples include the nature of a youth's disability, lack of transportation to and from work, or local economic conditions.

⁶⁰Wittenburg, D. and Loprest, P. Early Transition Experiences of Transition-Age Child SSI Recipients, *Journal of Disability Policy Studies*, Winter 2007; 18, 3.

concerns about the effect of work on benefits may reduce work attempts by transition-age youth. For example, in a planning report for YTD, the research organization Mathematica stated that “lack of knowledge about how work experiences, benefits, and SSA incentives interact leads to low utilization of the incentives among beneficiaries.”⁶¹ Similarly, staff in SSA field offices and state VR agencies, researchers, and others we spoke to said fear of losing health care or SSI benefits creates a barrier to employment for transition-age youth and some said that families may not encourage youth on SSI to work because of these fears. SSA officials also said that some families believe they are helping their children by preventing them from working because it will enable them to keep benefits longer or reduce the chance of an unfavorable age 18 redetermination.

Despite such gaps in knowledge or understanding of work incentives and the age 18 redetermination process among youth on SSI and their families, and contrary to general SSA policy, SSA staff may not be systematically conveying information about these topics during CDRs and other interviews. SSA policy states that interviewers are responsible for providing accurate and meaningful information about the SSI program, and for making the process of applying for and maintaining eligibility as understandable and uncomplicated as possible. SSA policy also states that recipients may not know the right questions to ask to obtain the information they need to make informed decisions.⁶² SSA officials we interviewed said, consistent with SSA policy, field staff collecting information during a CDR, financial eligibility redetermination, or age 18 redetermination, would discuss work incentives with recipients. However, SSA field office staff we interviewed did not confirm such information sharing consistently occurs in SSA field offices. Staff said such conversations may not occur for a variety of reasons. For example, they said youth and their families do not generally seek out information on

61Benefits counseling was among the elements of YTD; however, according to SSA officials, YTD did not result in changes to benefits counseling for youth on SSI more broadly. Rangarajan, A., et al. The Social Security Administration’s Youth Transition Demonstration Projects: Analysis Plan for Interim Reports, June 19, 2009.

62SSA Program Operations Manual System (POMS) SI 00601.060 Supplemental Security Income (SSI) Interviewing. Effective dates, Oct. 6, 2016 to present.

work incentives, and staff may not have time for such discussions or be experts on work incentives.⁶³

SSA may also be missing opportunities to allay certain fears about how work might affect age 18 redeterminations. SSA policy indicates, and officials from the Office of Disability Determinations (ODD) confirmed, that although information on work history is collected and may be considered when determining whether a person meets medical criteria, it only influences financial eligibility when specific conditions are met. According to SSA officials, earnings are only considered when determining capacity to work if an individual has worked at or above SGA for a period long enough to gain work skills necessary for the job, and that such instances are rare. SSA officials told us that virtually all unfavorable age 18 redeterminations result from a medical evaluation, not work history. The medical evaluation takes into account the medical evidence and, if needed, the physical and mental functional capacity of the individual. SSA officials could not provide specific data on the relationship of prior work to redetermination outcomes. However, they said few youth undergoing an age 18 redetermination have a work history, and among those who do, a very small number have worked sufficiently above SGA to result in an unfavorable redetermination on that basis.⁶⁴ At the same time, SSA's policies do not instruct staff to consistently convey information explaining how work may or may not affect the age 18 redetermination when speaking with youth and their families. Federal standards for internal control state that an agency should communicate the information necessary to achieve its objectives.⁶⁵ Without standard procedures and language to guide SSA representatives and ensure they regularly and consistently discuss how work incentives can allow transition-age youth on SSI to work without jeopardizing their benefits, SSA may miss opportunities to allay misplaced fears, encourage work, and potentially reduce future dependence on benefits.

⁶³In follow-up emails from field office supervisors and managers, two confirmed that information on work incentives was not consistently discussed with transition-age youth and their families. The other three stated that such information was consistently provided, contradicting information provided during interviews.

⁶⁴Officials at two DDSs told us that, if they did not have access to work history information they could still make a determination of medical eligibility for an age 18 redetermination using other information.

⁶⁵GAO-14-704G.

As part of its effort to increase awareness and understanding of work incentives and supports available to SSI recipients, SSA funds Work Incentives Planning and Assistance (WIPA) projects in every state, and relies on the projects to provide benefits information and counseling to transition-age youth.⁶⁶ The projects typically provide general information on benefits or work supports and referrals to additional services, as needed, and individualized counseling on benefits and related services. WIPA projects are supposed to conduct outreach and provide information to disabled individuals, including transition-age youth, including advising them of work incentives available to them.⁶⁷ However, the WIPA projects' reach is limited. According to data from SSA's contracted technical assistance provider for WIPA projects, WIPA projects served just 345 youth ages 14 to 17 on SSI between July 2013 and June 2016.⁶⁸ While staff at one of the two WIPA project locations we visited said that they work with youth under age 18 to the extent possible, they said schools typically assist this age group rather than WIPA projects. At the other location, WIPA project staff told us that most of their clients are adults because beneficiaries typically do not seek services until they are working. WIPA project staff said funding constraints limit their ability to serve everyone and to conduct outreach. When the WIPA program was established in 1999, the law put a limit of \$23 million on the amount of grants, cooperative agreements, and contracts that can be awarded each fiscal year under this program, and the limit has not changed since then.

More recently, SSA has taken additional steps to provide written information about work incentives and supports to transition-age youth on SSI and their families by developing a new brochure; however, this brochure—while helpful for some—may not be sufficient to allay fear of

⁶⁶WIPA projects provide services to SSDI beneficiaries as well.

⁶⁷SSA's 2016 WIPA project terms and conditions stipulate that WIPA projects should serve beneficiaries ages 14 and older and conduct outreach targeting transition-age youth.

⁶⁸From August 2015 to July 2016 WIPA projects served more than 29,000 individuals, about one-third of whom were SSI recipients. The most recent data show that 78 percent of total WIPA project referrals are from SSA's Ticket to Work Help Line (58 percent) or VR agencies (20 percent). However, youth who are not eligible for Ticket to Work and may not have an open service record with VR may not receive referrals through these sources. John Kregel and Susan O'Mara, The Social Security Work Incentives Planning and Assistance Program Annual Report Program Activities August 1, 2015 through July 17, 2016, (Virginia Commonwealth University National Training and Data Center, Sept. 30, 2016).

work affecting benefits.⁶⁹ SSA officials told us that lessons learned from YTD influenced the agency's development of the brochure to inform youth, their families, and service providers about the age 18 redetermination process and available resources. While the new brochure is a positive step, it does not contain key information that could help alleviate fear that work will mean losing benefits, such as how work is considered during the age 18 redetermination process or the circumstances under which youth can work and maintain Medicaid coverage.⁷⁰ In addition, some stakeholders, including WIPA project and VR staff, told us that written material, such as a brochure, may not be sufficient to convey complex information on work incentives and how working affects benefits. For example, although SSA officials said one purpose of the brochure is to increase awareness of available resources, staff from WIPA's technical assistance provider told us in December 2016 that they did not believe the brochure, mailed in August 2016, had led to an increase in youth seeking WIPA project services. Federal standards for internal control state that an agency should communicate quality information needed to achieve its objectives with external parties, and that this information should be communicated using appropriate methods that consider factors including the intended audience and the nature of the information, among others.⁷¹ For example, results from YTD suggest that increased benefits counseling was associated with increased awareness of work incentives.

69SSA Publication No. 05-11005, What You Need To Know About Your Supplemental Security Income (SSI) When You Turn 18.

70A representative from one national advocacy organization we spoke with specifically said that including information on Medicaid would be helpful. Representatives from two other national advocacy organizations suggested adding additional information, such as the website that provides information on finding a local WIPA project. SSA officials told us they are considering modifying the brochure to include additional information on redeterminations, but did not elect to add information on Medicaid—which SSA officials told us most SSI recipients already receive—because it would have made the brochure prohibitively long.

71GAO-14-704G.

SSA Does Not Have a Systematic Way to Connect Transition-Age Youth on SSI to Vocational Rehabilitation Services and Data Sharing is Limited

SSA Does Not Have a Systematic Way to Connect Transition-Age Youth to Vocational Rehabilitation Services

Having access to individualized training and employment services provided by VR agencies helps transition-age youth on SSI develop the skills they need to transition to adulthood and the workforce. However, SSA does not have a systematic way to connect these youth to state VR agencies that provide employment-oriented and other services to individuals with disabilities. To achieve successful transition to adulthood, it is important that transition-age youth with disabilities receive transition planning and employment-related services that help them prepare for and engage in gainful employment to the extent of their capabilities. Such services are provided by state VR agencies under the VR State Grants program, which is administered by Education's Rehabilitation Services Administration, and may include individualized: assessments; counseling, guidance, referrals, and job placements; vocational and other training; transportation; and, in certain circumstances, postsecondary education and training. Participation in VR also may allow transition-age youth who would otherwise lose SSI benefits due to an unfavorable CDR or age 18 redetermination to continue receiving SSI payments.⁷² Despite the advantages of participating in VR programs, our review of data from five state VR agencies found few transition-age youth (ages 14 to 17) receiving SSI who had open VR service records in calendar year 2015.⁷³ Specifically, in four of the five states, the percentage of transition-age youth ages 14 to 17 on SSI with open VR service records was less than 1

⁷²SSA Program Operations Manual System (POMS). DI 14505.010 Policy for Section 301 Payments to Individuals Participating in a Vocational Rehabilitation or Similar Program. Effective dates January 6, 2017 to present.

⁷³According to Education, under the VR program, a service record is opened at application and is considered "open" until the service record is closed.

percent. In the fifth state, approximately 3 percent of such youth had an open VR service record.⁷⁴

Although there may be many reasons for low VR participation by transition-age SSI recipients at the five state VR agencies we spoke with, SSA's stated inability to directly refer these youth to VR agencies does not help to improve participation rates. Prior to the enactment of the Ticket to Work and Work Incentives Improvement Act of 1999, SSA was required to consider each claimant's need for vocational rehabilitation and refer SSI recipients ages 16-64 to state VR agencies.⁷⁵ While the enactment of this Act expanded the pool of employment service providers available to recipients of SSI and other disability benefits, SSA limited the Ticket to Work and Self-Sufficiency (Ticket to Work) program to adults.⁷⁶ In addition, the Act removed the language that had required SSA to make direct referrals of benefit recipients to VR providers. SSA has interpreted this legal change as "eliminat[ing] SSA's authority to refer [SSI] recipients for vocational rehabilitation (VR) services" in states in which the Ticket to Work program has been implemented.⁷⁷ Because the Ticket to Work program has been implemented in all states, it is SSA's view that it is prohibited from directly referring adults and youth on SSI to VR services.

Because SSA states that it can no longer makes direct referrals to VR agencies for services and the Ticket to Work program only supports adults, SSA lacks a mechanism to help connect youth on SSI to VR services. In contrast, the Ticket to Work program provides SSA a well-

74Detailed national data on the number of individuals with disabilities currently receiving VR services, such as demographic information—including youth—are not currently available. To obtain these estimates, we compared data on the number of youth with open VR service records in 2015 provided by 5 state VR agencies to data provided by SSA on the number of youth receiving SSI in those states in 2015. SSA counted anyone who received SSI benefits for at least 1 month in the state in the count of SSI recipients. These data do not reflect the number of SSI youth who may have received pre-employment transition services prior to applying for VR services.

75See Pub. L. No. 92-603, § 301, 86 Stat. 1329, 1465 (1972), as amended.

76When SSA developed regulations for the Ticket to Work program, it considered extending eligibility for tickets to individuals younger than 18, but decided not to, citing the concern that employment could interfere with their education. At the time, SSA said that it would reconsider the decision to exclude youth.

77SSA Program Operations Manual System (POMS) DI 55001.500 Repeal of Referral Authority for Rehabilitation Services In States Where the Ticket to Work Program Is Implemented. Effective dates, May 2, 2013 to present. The Ticket to Work program has been implemented in all states.

developed structure to connect SSI recipients age 18 and older to VR agencies or other employment networks.⁷⁸ Specifically, SSI recipients ages 18 to 64 are issued a ticket that can be used to obtain vocational rehabilitation, employment, or other support services from a state VR agency or an approved employment network of their choice. SSA has a Helpline number for the Ticket to Work program, and the program has its own website containing information on its benefits and how to access VR agencies and other service providers. Since SSI recipients under age 18 are not eligible for tickets, SSA has no structure in place to ensure transition-age youth are made aware of and encouraged to take advantage of available employment programs that can help reduce their reliance on benefits as they transition into adulthood.

In February 2016, SSA issued an advanced notice of proposed rulemaking in which it solicited public input on how to improve the Ticket to Work program, including how the program could encourage youth to pursue work-related opportunities.⁷⁹ SSA officials said that they have no timeline for further actions related to this notice at this time. In addition, an SSA official said they are in the early stages of considering a new initiative under SSA's demonstration authority that would test whether having a state DDS make direct referrals of age 18 redetermination cases to VR agencies would result in increased VR services, increased employment outcomes, and reduced dependency on SSI. This initiative would involve the DDS and VR agencies located in one state. The SSA official said they are still working out the details, but said that if the project is feasible it would ideally begin sometime in 2017 and last at least 1 to 2 years.

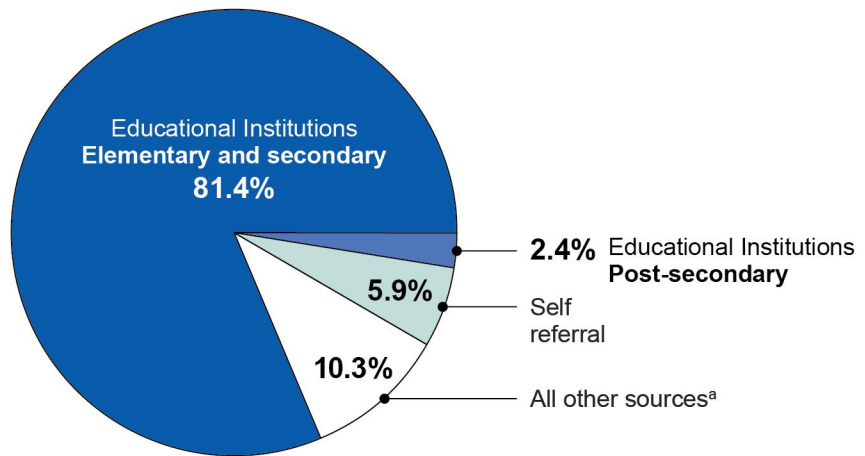
Without direct referrals from SSA and access to the Ticket to Work program, the primary way that youth on SSI are connected to VR is through their schools. While referrals to VR agencies can come from other sources, national Education data show elementary and secondary

⁷⁸Under the Ticket to Work program, beneficiaries can obtain employment, vocational rehabilitation, or other services from an employment network of their choice which is willing to provide them. An employment network is an entity that enters into an agreement with SSA to either provide or coordinate the delivery of services to beneficiaries. State VR agencies may participate in the Ticket to Work program as an employment network. SSA will reimburse employment networks and VR agencies for services provided to disability beneficiaries if they achieve certain employment outcomes.

⁷⁹Revising the Ticket to Work Program Rules, 81 Fed. Reg. 7041 (Feb. 10, 2016). The comment period for this notice closed in April 2016. As of May 5, 2017, SSA had not published a related notice of proposed rulemaking.

schools are the primary source of referrals for transition-age youth (see fig. 2). Specifically, for transition-age youth with VR service records that were closed in fiscal year 2015, over 80 percent had been referred to VR agencies by elementary and secondary schools.⁸⁰

Figure 2: Source of Referral to Vocational Rehabilitation for Youth, Ages 14-17, for Vocational Rehabilitation Service Records Closed in Fiscal Year 2015



Source: GAO analysis of Rehabilitation Services Administration (RSA) RSA-911 data. | GAO-17-485

^a "All other Sources" includes all other categories reported by the Department of Education's Rehabilitation Services Administration, including, for example, medical health providers, community rehabilitation programs, state departments of correction/juvenile justice, mental health providers, and one-stop employment/training centers. Education officials stated that most of these referrals would have been made by secondary schools because elementary school students are well under the age at which work is a realistic consideration. One exception might be referrals to vocational rehabilitation agencies serving individuals who are blind.

Students with disabilities can be connected to VR agencies through transition services provided by their schools as required under IDEA. IDEA requires states and school districts to identify, locate, and evaluate children suspected of having a disability, as defined in IDEA, and who are in need of special education and related services. For students age 16, or younger if determined appropriate by the IEP team, schools must develop and implement an IEP that incorporates postsecondary goals and provides access to appropriate transition services. The transition planning process develops a student's postsecondary goals for training, education, and employment, among other things. Although IDEA does not

⁸⁰ Education officials stated that most of these referrals would have been made by secondary schools because elementary school students are well under the age at which work is a realistic consideration. One exception might be referrals to VR agencies serving individuals who are blind.

specifically require school districts to include VR agencies in transition planning, Education's regulations require school districts to invite a representative from a VR agency or from other agencies likely to be providing transition services to a student's IEP team meetings, when appropriate, and with the prior consent of the parents or student who has reached the age of majority.⁸¹ According to Education guidance, VR agency involvement during the transition planning phase of an IEP helps provide a bridge to VR services for eligible students preparing for life after school.⁸²

Rehabilitation Services Administration officials and a few VR agencies told us that staff from VR agencies are invited to transition planning meetings by schools, but due to capacity constraints, these staff may not attend all such meetings. Furthermore, the relationship between VR agencies and schools and school districts varies, based on interviews we had with school and school district officials in the two states we visited. For example, school officials in two districts said that the VR agency staff are more involved and meet with students weekly, and as a result, students with IEPs are more likely to be connected to VR services. Some officials in the other school districts we visited described the relationship more as a "hand-off" of the student from the school to the VR agency. For example, VR agency staff would typically meet with students approaching graduation. Regardless of the relationship, a student makes the choice to apply or not to apply for VR services.

While VR and SSA officials we interviewed said that most students on SSI have IEPs, and that their IEPs can help connect them to VR services, we found that neither schools nor SSA collect or analyze data that would allow them to determine the extent to which youth on SSI do, in fact, have

8134 C.F.R. § 300.321(b)(3). When students eligible for special education under IDEA apply for VR services, federal regulations related to the Rehabilitation Act of 1973 require that VR agencies coordinate with education officials to facilitate the transition of students with disabilities by developing individualized plans for employment as early as possible during the transition period, but no later than when the student determined to be eligible for VR services leaves school.

82U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitative Services Administration, Technical Assistance Circular RSA-TAC-14-03, May 6, 2014.

IEPs that would help them connect with VR services.⁸³ Although schools document information on students with IEPs, school officials told us they do not collect information on whether students are receiving SSI benefits, and they have no systematic way to obtain this information. SSA maintains data on whether a student is receiving SSI and collects information on whether a recipient is receiving special education, or has an IEP, in certain cases.⁸⁴ However, SSA officials said they do not analyze these data to determine how many youth on SSI have IEPs that could facilitate connecting them to VR services. Based on data collected in 2001-2002 for the National Survey of SSI Children and Families, one study found that approximately 70 percent of surveyed youth on SSI had an IEP at some point during their schooling, which seems to indicate that about one-third of these youth lack an established path that may connect them to services to help them transition into employment or postsecondary education, and potentially reduce their dependence on SSI. In addition, youth who have dropped out of school also lack an IEP pathway to VR services. Federal standards for internal control state that agencies should use quality information to achieve their objectives. Absent data on whether youth on SSI have IEPs that can help them connect to transition services or additional options for connecting youth to VR services, SSA cannot ensure that these youth are receiving or have access to services they need to help them prepare for adulthood and the workforce.

With enactment of WIOA in 2014, more transition-age SSI recipients are potentially connected to VR services, although the extent to which this occurs is not known. Under WIOA's amendments to the Rehabilitation Act of 1973, VR agencies are now required to provide pre-employment transition services to students with disabilities beginning at age 16 (or

⁸³Eligibility requirements for receiving special education and related services under an IEP pursuant to IDEA differ from the eligibility criteria for SSI. For example, SSI recipients with disabilities that do not adversely affect educational performance may not qualify as a child with a disability under IDEA and be eligible for special education and related services. A student who has a disability but who does not qualify for an IEP may qualify for a 504 plan. Section 504 does not specifically require that eligible students with disabilities receive transition services as defined in IDEA. However, school districts could provide students covered by Section 504 with services to facilitate the pursuit of postsecondary goals related to training, education, or employment, depending on the individual needs of the student.

⁸⁴SSA obtains IEP information in cases in which there is an appeal of an initial SSI benefits claim, or to assist with disability determinations, continuing disability reviews, and age 18 redeterminations.

younger if a state elects a younger minimum age).⁸⁵ WIOA's amendments to the Rehabilitation Act of 1973 also require states to reserve at least 15 percent of their state allotment of federal VR funds to provide these services to students, including job exploration counseling, work-based learning experiences, transition or postsecondary educational programs counseling, workplace readiness training, and instruction in self-advocacy.⁸⁶ Students with disabilities are eligible for pre-employment transition services even if they have not applied or been found eligible for VR's regular services. Most VR agencies we interviewed are in the early stages of implementing WIOA's amendments to the Rehabilitation Act of 1973, and as such, the extent to which the new provisions will increase participation by youth on SSI is not known. While certain WIOA amendments broadly support all students with disabilities, they do not specifically target youth on SSI. In addition, some state VR agency officials told us they do not determine an individual's SSI status prior to the application process for VR services, and thus may not be able to capture data on the number of youth on SSI they serve through pre-employment transition services.

Data and Information Sharing About SSI Youth is Limited Among SSA, Vocational Rehabilitation Agencies, and Education

Data and information sharing about transition-age youth on SSI—which could potentially facilitate provision of services—is limited between SSA, VR agencies, and Education, and officials said there are privacy considerations about sharing information. SSA does not systematically provide Education or VR agencies with data that would allow them to identify transition-age youth on SSI for outreach on services. VR agency staff we interviewed told us that when an individual applies to VR for services, the agency can query SSA on the individual's disability benefits, including SSI benefits. However, this query can only be conducted on a

⁸⁵For the VR program, a student with a disability is between 16 (or younger, if the state uses a younger age for eligibility for pre-employment transition services) and 21 years old (or older, if a state's law permits a higher maximum age for the receipt of services under IDEA). To be a "student with a disability," the individual must also be eligible for and receiving special education or related services under IDEA, or be an individual with a disability for purposes of section 504 of the Rehabilitation Act of 1973.

⁸⁶WIOA authorizes numerous other pre-employment activities, which can be provided if additional funds are available after required activities are provided.

case-by-case basis, some VR officials said, and VR agencies do not have access to broader information about the population of youth on SSI who would be eligible for VR services in their area. VR officials in four of five states where we conducted interviews said having such data would be beneficial because it would help them conduct outreach in a more focused way. Officials in the fifth state said that having such information might be useful because it would allow them to determine the extent to which they are reaching the population of youth on SSI. Education officials also told us that, if available and consistent with applicable privacy laws, VR agencies might use information on youth receiving SSI to conduct outreach to youth who may not be connected to the school system, such as youth who have dropped out of school, are homeless, migrants, or seasonal workers. Education officials within the Rehabilitation Services Administration also said that generally state VR agencies have the capacity to conduct outreach, and additional data from SSA would be helpful.

Although access to more comprehensive SSA data might improve outreach by VR agencies, privacy concerns and other factors inhibit data sharing by SSA. Both SSA and Education have raised privacy and legal concerns about sharing SSI recipient data, indicating that such sharing may be prohibited under federal law; however, SSA has participated in other data sharing arrangements. In each instance, steps were taken to protect personal information and address privacy requirements. SSA officials told us that, as part of the Ticket to Work program, SSA has provided information on eligible beneficiaries to non-VR employment networks that asked for this information. While the agency stopped this practice in March 2015, due to privacy concerns, SSA officials said they are currently conducting an initiative in which SSA provides employment networks encrypted data on eligible beneficiaries via secure messaging. This includes the name and address or the name and phone number of potentially eligible beneficiaries for conducting outreach. SSA officials said they anticipated continuing this project for several months before evaluating the process and deciding how to proceed. However, SSA officials said they have not provided similar information to VR agencies because (1) the demand for VR services is generally high and negates the need to conduct outreach and (2) they do not have the legal authority to refer individuals to VR. In addition, under the PROMISE initiative, SSA provided identifying information on groups of SSI recipients, such as contact information, to facilitate outreach and enrollment. According to SSA and Education officials, that data sharing was permitted because it was conducted for research purposes. Nevertheless, steps were taken to ensure privacy requirements were met, such as obtaining consent from

SSI youth and their parents or guardians about participating, and using unique identification numbers in lieu of Social Security numbers.

Finally, SSA and Education have a data sharing agreement in place; however the shared data are currently not used for VR outreach or program management purposes. The data sharing agreement establishes procedures and conditions for the merging of SSA and Education administrative data to support research and program evaluation.⁸⁷ The data sharing agreement specifies that SSA will remove personally identifiable information, including Social Security numbers, before sharing merged files with Education. Under this agreement, SSA has access to data on the number and the characteristics of individuals exiting the VR program each fiscal year, which according to Education, only includes closed, not open, service records. As such, neither SSA nor Education know the extent to which youth on SSI are receiving VR services. Education officials said that beginning in July 2017, due to requirements in WIOA, Education will begin collecting data from VR programs on a quarterly basis for both current program participants and those who have exited the program. Education and SSA officials said these data on open service records, in combination with SSA's recipient data, could also be used to determine in a more regular and timely manner the total population of youth on SSI receiving VR services. However, SSA officials said without knowing exactly what the data will include, they do not know whether it will prove useful and therefore do not yet have any plans to analyze these data. SSA officials told us that without more information on how WIOA amendments to the Rehabilitation Act of 1973 will change services to youth, they were unsure what additional outreach should be conducted, or whether additional initiatives or data will be necessary to connect youth on SSI to VR services.

⁸⁷These merged data are intended to inform research that helps both agencies understand and address program issues, for example, assessing the effects of VR services on SSA beneficiaries, supporting demonstration projects pertaining to youth in transition, and identifying incentives and disincentives associated with SSA benefit programs when an individual receiving SSI begins earning income. SSA data files merged pursuant to the Memorandum of Agreement include the: Supplemental Security Income Record (SSR), Master Beneficiary Record (MBR), Disability Determination Service Processing File (also known as the 831/832), Master Files of Social Security Number (SSN) Holders and SSN Applications (NUMIDENT) file, Completed Determination Record - Continuing Disability Determinations (also known as the Disability Control File (DCF)), the Earnings Recording and Self-Employment Income System (also known as the Master Earnings File (MEF)), Hearings and Appeals Case Control System, and Hearing Office Tracking System of Claimant Cases. The Education data file to be merged is the Rehabilitation Services Administration's (RSA) Case Service Report (RSA-911).

Conclusions

Many individuals with disabilities want to work for the financial and personal rewards that employment can provide, and it is in SSA's interest to help SSI recipients find employment and ultimately reduce or end their dependence on SSI. Helping transition-age youth on SSI engage in work prior to age 18 is critical given that research finds SSI recipients often continue receiving benefits for decades, resulting in high costs to the federal government. Yet few transition-age youth on SSI are working, and many of those who do work are not benefiting from provisions under federal law to exclude some of their income and retain still-needed benefits.

While SSA maintains data on the number of SSI recipients who work and use work incentives and employment supports, by not regularly analyzing these data, SSA cannot ensure transition-age youth are receiving work incentives for which they are eligible. SSA does not know, for example, why many transition-age youth with income are not receiving the SEIE, which is targeted specifically to this population. In addition, lacking procedures that ensure systematic, consistent communication with youth and families about work incentives and redetermination rules, SSA is forgoing opportunities to encourage employment and potentially allay fears that may create a barrier to employment.

SSA also states that it is hindered in its ability to connect transition-age youth to VR services because it is no longer allowed to directly refer them and SSI recipients under 18 are not included in its program that assists adults with making this connection. SSA must rely primarily on schools to make this connection for students. However, SSA is well positioned to work with Education to determine the extent to which transition-age youth on SSI are not being connected to VR services for which they are eligible, and to assess options to better ensure they receive them, as appropriate. Without further efforts, the program risks unwarranted costs and the youth it serves may be less likely to obtain self-sufficiency.

Recommendations

We recommend that the Acting Commissioner of the Social Security Administration take the following actions:

1. Analyze the SEIE data to determine why a large proportion of transition-age youth on SSI with reported earnings did not benefit from the SEIE and, if warranted, take actions to ensure that those eligible for the incentive benefit from it.
2. Analyze options to improve communication about SSA-administered work incentives and the implications of work on SSI benefits, with a goal of increasing understanding of SSI program rules and work incentives among transition-age youth and their families. This should include, but not necessarily be limited to, updating SSAs procedures for staff meeting with SSI applicants, recipients, and their families to regularly and consistently discuss – when applicable—how work incentives can prevent reductions in benefit levels and how work history is considered during eligibility redeterminations.
3. Work with the Secretary of Education to determine the extent to which youth on SSI are not receiving transition services through schools that can connect them to VR agencies and services.
4. Explore various options for increasing connections to VR agencies and services, including their potential costs and benefits. One option, among others, could be to expand the Ticket to Work program to include youth.

Agency Comments and Our Evaluation

We provided a draft of the report to SSA and Education for their review. In written comments, SSA agreed with two of our recommendations, partially agreed with one, and disagreed with one. We have reproduced SSA's and Education's comments in appendices II and III. We have incorporated them—as well as technical comments provided—in the report, as appropriate.

In its comments, SSA suggested GAO clarify SSI's role as part of a broader social safety net, and explain that the SSI program does not have provisions for SSA to ensure recipients have access to a variety of services provided by federal and state agencies. We agree, and added additional information in the report suggested by SSA to help convey this. SSA also commented that the draft report did not accurately portray efforts to encourage work and explain work incentives to youth receiving SSI, citing efforts made to produce a new brochure targeting youth and directing WIPA projects to further target youth—both of which were results of the YTD project. We discussed SSA's new brochure in our report, and stated that it will be helpful for some SSI beneficiaries. We also discussed SSA's use of WIPA projects to provide benefits information and counseling, and noted that SSA has instructed WIPA projects to serve beneficiaries ages 14 and older and conduct outreach targeting transition-age youth.

SSA agreed with our recommendation to analyze Student Earned Income Exclusion (SEIE) data to determine why a large portion of transition-age youth with reported income did not benefit from SEIE and take steps, if warranted, to ensure they do. SSA also agreed to explore various options for increasing connections to Vocational Rehabilitation (VR), stating that in addition to assessing options for referring youth to VR and/or changing the Ticket to Work program, the agency will continue to research other options for supporting transitioning youth.

SSA partially agreed with our recommendation that SSA work with Education to determine the extent to which youth on SSI are not receiving transition services through schools that can connect them to VR. SSA noted its ongoing collaboration with Education and other agencies through the Promoting Readiness of Minors in SSI (PROMISE) project, stating the initiative is testing the provision of VR services to youth receiving SSI and will provide some evidence related to the role of schools and VR services for this population. SSA also stated it will

continue to pursue research in this area. We agree that the PROMISE initiative has the potential to provide useful information on whether the services and supports provided improve education and employment outcomes for transition-age youth; however, a final PROMISE evaluation is not expected until winter 2022. In addition, the PROMISE initiative was not designed to determine the extent to which youth on SSI are receiving transition services through schools or are otherwise connected to VR services. SSA also noted that it works with Education and other agencies through the Federal Partners in Transition (FPT) Workgroup to improve the provision of transition services to students with disabilities, and that the FPT has issued a blueprint of agencies' efforts. While the FPT can be a promising vehicle for helping connect youth on SSI to key transition services, as of September 2016, the FPT had not set timelines or milestones to achieve its broad goal to support positive outcomes for youth with disabilities, nor does it have a list of specific activities and tasks it will undertake. Therefore, we continue to believe additional collaboration by SSA with Education would be beneficial. SSA also noted several concerns related to complying with this recommendation, such as legal (privacy) concerns with data sharing, the capacity of state VR agencies to serve more individuals, and the receptivity of youth on SSI to receiving services. While we acknowledge that legal and privacy issues can present challenges to collaboration, we believe that SSA can take steps to explore actions it could take after considering such legal issues. We note that SSA has implemented approaches for sharing sensitive information under its Ticket to Work program, and prior surveys have yielded information to help understand how many youth on SSI have had an IEP at some point during school. Finally, while low state VR capacity or individual motivation can obstruct receipt of VR services, they should not prevent SSA from working with Education to determine the extent to which SSI youth are sufficiently informed of VR resources that are potentially available to them.

SSA disagreed with our recommendation that it analyze options to improve communication about SSA-administered work incentives and the implications of work on SSI benefits. SSA stated that it already analyzed, and continuously monitors and solicits feedback on, options to improve communications. SSA also said it requires staff to meet with SSI recipients regularly and instructs staff to discuss relevant work incentives, and that there is no indication that staff are not providing youth with appropriate work incentive information. However, SSA did not explain how it knows or ensures that staff are providing this information. As noted in our report, staff in local SSA offices we visited told us that they do not regularly or consistently discuss work incentives with youth or families—

when, for example, such information is not specifically requested, or if staff lack time. Further, SSA policies do not instruct staff to consistently convey information to youth and families on how work may or may not affect age 18 redetermination. SSA said that its new brochure provides information on age-18 redeterminations, as well as work incentives and other resources. While we acknowledged that the new brochure is a positive development, we noted that it could contain additional relevant information, for example, on Medicaid eligibility. We also noted that written information may not be sufficient for conveying complex information. We agree with SSA that WIPA projects play an important role providing work incentives counseling to SSI youth; however, as we noted in our report, WIPA projects have limited capacity for serving youth along with other SSI recipients and disability insurance beneficiaries. Therefore, we continue to believe that there are opportunities for SSA to improve its communication with transition-age youth and their families, including through in-person or telephone interactions.

Education agreed to cooperate with SSA efforts to determine the extent to which youth on SSI are being connected to VR agencies and services through schools and on options to increase connections to VR agencies and services. Education noted that privacy statutes might complicate or limit use of student data. While we acknowledge that privacy laws can present challenges in this area, we believe that Education can take steps to explore actions it could take after considering these laws.

We are sending copies of this report to appropriate congressional committees, the Secretary of Education, the Acting Commissioner of the Social Security Administration, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-7215 or bertonid@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.

Sincerely yours,



Letter

Daniel Bertoni, Director Education, Workforce, and Income Security
Issues

Appendix I: Scope and Methodology

This report examines 1) how the Social Security Administration (SSA) encourages employment for transition-age youth on Supplemental Security Income (SSI) as they move toward adulthood, and the effectiveness of these efforts, and 2) the extent to which SSA helps ensure transition-age youth on SSI receive vocational rehabilitation services.

We focused our review on transition-age youth ages 14 to 17 because when SSI recipients turn 18, their eligibility for SSI is reassessed against adult criteria. Furthermore, our previous work has found that the transition from high school is an especially challenging time for individuals with disabilities because they are often no longer automatically entitled to transition services they received as students and must apply for and establish eligibility for services as adults, often from multiple agencies.¹ In addition, research suggests that early interventions may improve later outcomes for youth with disabilities.²

To address both our research objectives, we reviewed relevant federal laws, regulations, policies, documents, and publications; interviewed SSA

¹GAO, Youth with Autism: Roundtable Views of Services Needed During Transition into Adulthood, GAO-17-109 (Washington, D.C.: Oct. 18, 2016); Students with Disabilities: Better Federal Coordination Could Lessen Challenges in Transition from High School. GAO-12-594. (Washington, D.C.: July 2012).

²In addition, according to the Department of Labor, as a general rule, the Fair Labor Standards Act of 1938 (FLSA) sets 14 years of age as the minimum age for employment, and limits the number of hours worked by minors under the age of 16.

officials and staff³ and Education officials, advocates, and researchers; and conducted site visits to two states.⁴ In particular:

- To understand SSA's approaches to encourage employment among transition-age youth, we reviewed SSA's 2016 Annual Report of the Supplemental Security Income Program, most recent SSI Annual Statistical Reports, 2016 *Red Book: A Summary Guide to Employment Supports for Persons with Disabilities Under the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Programs*, various policies outlined in SSA's Program Operations Manual System (POMS), the agency's Fiscal Years 2014-2018 Agency Strategic Plan, SSA "Spotlights" (handouts related to applying for and receiving SSI), and information about SSA's Youth

3At SSA, we interviewed officials in the Office of Disability Determinations, the Office of Public Services and Operations Support, and in several offices within the Office of Retirement and Disability Policy, among others. We also interviewed SSA staff in five SSA field offices. In the report, when we refer to SSA officials, we mean knowledgeable individuals in SSA's central offices; when we refer to SSA staff, we mean SSA field office personnel, which generally included staff with technical expertise, but also included supervisory and managerial staff.

4At Education, we interviewed officials in the Rehabilitation Services Administration and the office that oversees it, the Office of Special Education and Rehabilitative Services. We spoke to a representative of the National Disability Rights Network (NDRN), which is the nonprofit membership organization for the Protection and Advocacy (P&A) Systems and the Client Assistance Programs (CAP) for individuals with disabilities. Collectively, the Network is the largest provider of "legally based advocacy services" to people with disabilities in the United States. We also spoke with members of the Consortium for Citizens with Disabilities (CCD) Social Security Task Force. CCD is a coalition of approximately 100 national disability organizations working together to advocate for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society. We also spoke to researchers at Mathematica, whose work focuses on interventions for youth with disabilities as they transition to adulthood, vocational rehabilitation and employment for youth with disabilities, and who have been involved in the evaluations of the Youth Transition Demonstration and the Promoting Readiness of Minors in Supplemental Security Income (PROMISE) initiative. Mathematica Policy Research's Center for Studying Disability Policy is one of the two cooperatively funded research centers that make up the Disability Research Consortium.

Transition Demonstration (YTD) and the Promoting the Readiness of Minors in Supplemental Security Income (PROMISE) initiative.⁵

- To determine the extent to which youth benefit from SSA-administered work incentives or other employment supports, we reviewed or analyzed available data from SSA on the number of transition-age youth benefiting from various work incentives, as follows:
- For the Student Earned Income Exclusion (SEIE), the Plan to Achieve Self-Support (PASS), Impairment-Related Work Expenses (IRWE), and Blind Work Expenses (BWE), we analyzed data provided by SSA from its Disability Analysis File (DAF) for SSI recipients ages 14 to 17 for calendar years 2012, 2013, 2014, and 2015.⁶ A new version of the DAF is created each year in March and the 2015 file is the most current available version. According to SSA officials, SSA continues to update data as it obtains new information from recipients, so data from more recent years, while complete as of the time the data were obtained by SSA, do not reflect possible future changes to recipient files. Therefore, while we report data from each year, we focus on data from 2012 and 2013 which, according to SSA, provide a more complete picture of recipients with earned income and who benefited from work incentives and supports.

⁵The Youth Transition Demonstration (YTD) was a demonstration undertaken by SSA to assist youth ages 14 to 25 with disabilities to successfully transition from school to economic self-sufficiency. The beneficiaries who participated in this demonstration were youth who were receiving SSI or Social Security Disability Insurance (SSDI) payments based on their own disability, or who were at risk of receiving SSI or SSDI benefits. The demonstration began in 2006 and was completed in 2012. The PROMISE initiative is a joint initiative between the Departments of Education, Health and Human Services, and Labor, and the Social Security Administration intended to improve the provision and coordination of services and supports for child SSI recipients ages 14 to 16 and their families to enable them to achieve improved outcomes. Education is funding the initiative and SSA is funding a national evaluator to evaluate the PROMISE initiative. PROMISE began in 2013 and the final evaluation is scheduled for 2022.

⁶A PASS enables SSI recipients to exclude from countable income amounts used for certain expenses, such as the cost of transportation to and from work, pursuing an education, and purchasing assistive technology, to achieve a specific SSA-approved work goal. For IRWE SSA deducts the cost of certain impairment-related items and services, such as medicines, medical devices, and service animals, that SSI recipients need to work from gross earnings when determining monthly SSI benefits. For BWE, SSA excludes any earned income used to meet expenses that blind SSI recipients need to earn income. The DAF data do not include separate variables for IRWE and BWE; both incentives are captured under the IRWE.

- We reviewed data from the Supplemental Security Record provided by SSA on the number of SSI recipients ages 18 and 19 who received continuing disability payments under Section 301 of the Social Security Disability Amendments of 1980.
- We also reviewed annual Work Incentives Planning and Assistance (WIPA) project reports by the Work Incentives Planning and Assistance National Training and Data Center and data provided by the Center.

To assess the reliability of these data, we interviewed SSA officials, reviewed written answers to questions we provided to SSA, and reviewed available documentation. According to SSA officials, while producing the data we requested, the agency discovered a previously unknown error in its data transfer process. The error has resulted in a small proportion of cases in which earnings and work incentive data are not being correctly transferred from one data file to another. SSA officials estimated this issue affects approximately 0.1 percent of the overall population of transition-age youth ages 14 to 17, and approximately 5 percent of those with earnings. According to SSA, this suggests that the number of youth with earnings and the number benefiting from SSA-administered work incentives may be approximately 5 percent larger than reported. However, because SSA believes that the undercount is approximately the same for the number of transition-age youth with earnings and the number receiving SEIE, the percentage of these youth receiving SEIE would not change substantially. We do not believe this issue materially changes our findings—regarding low use of SEIE and low percentage of youth with earnings receiving SEIE—and we found the data to be sufficiently reliable for the purposes of our reporting objectives.

We also conducted a literature review designed to identify research published over the last 10 years related to participation in, and outcomes related to, SSA-administered work incentives and demonstration projects that pertain to transition-age youth.⁷ Our search used broad key terms including those related to relevant work incentives, YTD and PROMISE, and vocational rehabilitation for youth on SSI. The search identified 218 studies or articles. After reviewing abstracts of studies for key parameters we determined that some studies were duplicative, some were outside the 10 year timeframe, and some were not published articles. This information, combined with a review of abstracts for key terms (such as

⁷Our literature search was also designed to identify literature related to collaboration between SSA and VR which informed our second research objective.

confirming the studies discussed youth on SSI) enabled us to narrow the list to 111 results. We then conducted a more thorough review of study abstracts to determine whether the studies were not relevant, were suitable for background purposes (such as 40 articles about vocational rehabilitation), or were focused on SSI work incentives and demonstration projects. Ultimately, we identified 19 studies that focused on SSI work incentives and demonstration projects. Of these, 12 focused on YTD and 7 focused on incentives.⁸ However, 5 discussed work incentives in broad terms, for example describing that work incentives could help improve employment opportunities without discussing a specific example. Only 2 of the studies discussed specific work incentives—including a study over 10 years old that we included because it was the only study that discussed PASS—and none addressed the specific effects of these incentives on encouraging work. After determining the studies were methodologically sound, we incorporated key findings as appropriate in our report.

To determine how youth on SSI and their families are informed about SSI program rules, work incentives, eligibility for VR, and other supports, we reviewed relevant procedures and information and notices provided by SSA to SSI recipients, their families, and their representative payees. We also interviewed staff in five SSA field offices in three states: two each in Florida and New York, and one in California. We selected the three states because they each served a large population of SSI recipients and youth on SSI and based on geographic variation. We further selected New York because it was participating in the ongoing PROMISE initiative. In each state, we interviewed a variety of SSA staff, including, for example, district managers, technical experts, claims representatives, Area Work Incentive Coordinators, and a Work Incentives Liaison, among others. At the California SSA field office we also observed an age 18 redetermination interview.

In Florida and New York, we also interviewed staff at VR offices, a combination of school and school district personnel in six school districts, and staff at a WIPA project in each selected state.⁹ In New York, we also

⁸We identified additional studies on YTD; however, they were descriptive in nature or addressed interim outcomes or outcomes at specific program sites. Because a final evaluation of YTD is available, we did not include all of those studies.

⁹WIPA projects provide community-based work incentive expertise and counseling about benefits and the effect of work on those benefits to SSI and Social Security Disability Insurance (SSDI) beneficiaries. WIPA projects are funded by SSA.

interviewed state officials responsible for implementing PROMISE as well as several PROMISE service providers. We interviewed these individuals to gather information about the services they provide to transition-age youth on SSI and their opinions on SSA's effectiveness in encouraging work among this population and SSA efforts to connect these youth to VR services. The results of our interviews with SSA field office staff, VR officials and staff, school and school district personnel, and service providers are not generalizable, but provide insight into a variety of issues, including, how SSA and its staff communicate with transition-age youth on work-related issues; transition services these youth receive; and barriers they face to employment.

To determine how SSA helps to ensure transition-age youth on SSI receive VR services available to SSI recipients, we reviewed SSA policies and interviewed SSA officials, state Disability Determination Service officials in the Florida and New York, and VR officials in five states—Florida, New Mexico, New York, Oklahoma, and Washington. Florida and New York were selected because these were the two states in which we conducted our site visits. New Mexico, Oklahoma, and Washington were selected based on variation in the size of the population of youth under 18 receiving SSI who are served by the VR agencies, the rate of successful employment outcomes for transition-age youth receiving VR services, and geography. The results of our interviews with state VR agency officials are not generalizable.

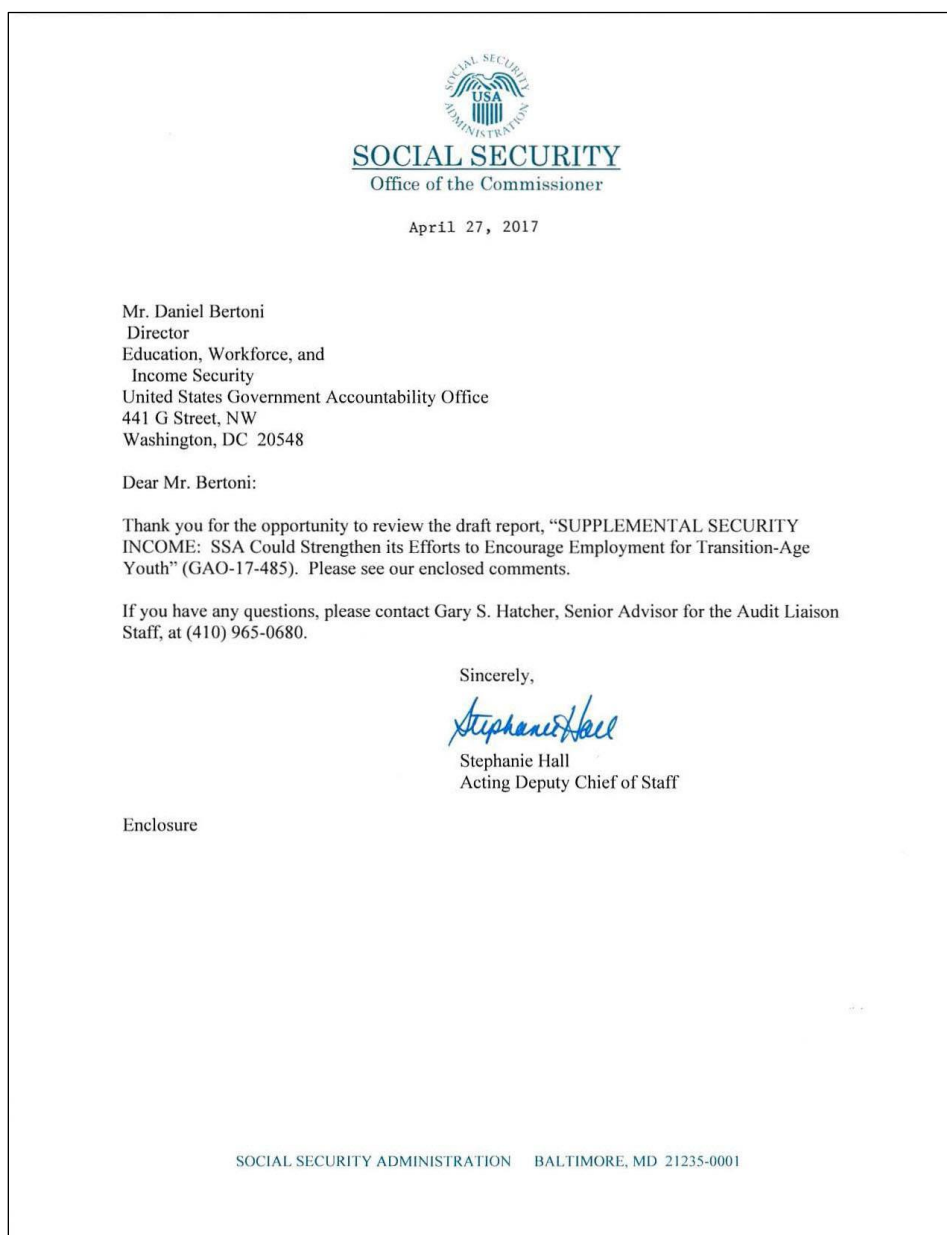
We also collected data from state VR agencies in the five states on the number of transition-age youth on SSI with open VR service records in calendar year 2015, to analyze the extent to which youth were receiving VR services. The VR agencies from which we collected data did not all define "open service records" in exactly the same way. One state included only service records for which an individual plan for employment had been developed; the other states classified open service records to include individuals in other statuses, such as any individual who was beyond referral status. To assess the reliability of these data, we provided written questions to state VR officials and reviewed relevant documentation where available. We found the data were sufficiently reliable for our purposes.

We compared the data provided by these state VR agencies to the number of transition-age youth in current pay status in 2015 according to data provided by SSA from the DAF. While SSA officials told us the number of recipients is unlikely to change significantly in its data, as noted previously, the DAF file is updated each year with new information

obtained by SSA, and officials told us that the more recent years of the DAF are more likely to change than years further past. However, given the small number of transition-age youth with open VR service records in comparison to the number receiving SSI, any changes to the number of SSI recipients in the DAF would not significantly change the percentage of transition-age youth with open VR service records. When calculating the number of transition-age youth on SSI in the state, we counted any such youth who received SSI benefits for at least 1 month in the state. Some of these recipients did not live in the state for the entire year. In addition, we reviewed data provided by SSA on reimbursements the agency made to state VR agencies for successful work outcomes for transition-age youth on SSI for 2012 through 2014. We found SSA's data to be sufficiently reliable for reporting on the extent to which transition-age youth benefited from SSA's work incentives.

We conducted this performance audit from February 2016 to May 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Social Security Administration



COMMENTS ON THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT, "SUPPLEMENTAL SECURITY INCOME: SSA COULD STRENGTHEN ITS EFFORTS TO ENCOURAGE EMPLOYMENT FOR TRANSITION-AGE YOUTH" (GAO-17-485)

We appreciate GAO's acknowledgement of our efforts to assist transition-aged youth with disabilities by providing cash benefits through the Social Security Disability Insurance (DI) and Supplemental Security Income (SSI) programs. We suggest GAO clarify SSI's role as part of the much broader social safety net. SSI is a means-tested cash transfer program and does not include provisions for us to ensure recipients have access to a variety of services provided by other Federal and State agencies. It would be useful for the report to include the specific authorities authorizing SSA to conduct the level of benefits counseling and coordination of non-SSA services suggested in the report.

The report correctly notes that the Department of Education (Education), along with the States, are currently responsible for providing qualifying youth with disabilities with an individualized education program (IEP). Individuals with an IEP must receive a transition plan by age 16, which includes vocational rehabilitation (VR) services. However, having an IEP is not required to receive SSI. Education also has authority over the Rehabilitation Services Administration that runs the Federal part of the VR program. Thus, it is incumbent upon Education and the States, not Social Security, to create a pathway to VR for transition age youth.

The report does not accurately portray our efforts to encourage work and explain work incentives to youth receiving SSI. Our new brochure, *What You Need to Know About Your Supplemental Security Income (SSI) When You Turn 18*, was widely viewed as an appropriate and legal way of communicating with youth. We coordinated the brochure's content with other Federal agencies, advocacy groups, and service providers. Development of the brochure was a direct result of our work on the Youth Transition Demonstration (YTD) project. However, the brochure is not the only effort we have in this area. We agree with the YTD's finding that additional benefits counseling resulted in increased awareness of work incentives. The directive to Work Incentive Planning and Assistance (WIPA) organizations to provide work incentives counseling to youth is also a direct result of the YTD project. However, WIPA funding is capped by statute, and serves many other SSI recipients and DI beneficiaries. Our direction to WIPA organizations to spend their limited resources on this population is a demonstration of our commitment to working with youth.

Below are our responses to the recommendations.

Recommendation 1

Analyze the Student Earned Income Exclusion (SEIE) data to determine why a large proportion of transition-age youth on SSI with reported earnings did not benefit from the SEIE and, if warranted, take actions to ensure that those eligible for the incentive benefit from it.

Response

We agree.

Recommendation 2

Analyze options to improve communication about SSA-administered work incentives and the implications of work on SSI benefits, with a goal of increasing understanding of SSI program rules and work incentives among transition-age youth and their families. This should include, but not necessarily be limited to, updating SSA's procedures for staff meeting with SSI applicants, recipients, and their families to regularly and consistently discuss—when applicable—how work incentives can prevent reductions in benefit levels and how work history is considered during eligibility redeterminations.

Response

We disagree. We have already analyzed, and continuously monitor and solicit feedback on, options to improve communications about our work incentives. The report does not contain evidence to support a change from our current strategy. We continuously explore ways that we can better communicate information about work incentives for all our beneficiaries, including transition-age youth and their families. We require staff to meet with SSI recipients regularly and instruct staff to discuss relevant work incentives. Most letters issued to recipients include information about the [ChooseWork](#) site. Our current brochure provides relevant information, to fill knowledge gaps regarding the age-18 redetermination, SSA work incentives, and other resources. While not all youth take advantage of these work incentives, or are interested in them, there is no indication that staff is not providing them with appropriate work incentive information.

Recommendation 3

Work with the Secretary of Education to determine the extent to which youth on SSI are not receiving transition services through schools that can connect them to VR.

Response

We partially agree. The Promoting Readiness of Minors in SSI (PROMISE) project, a joint project between our agency, Education, the Department of Labor (DOL), and the Department of Health and Human Services (HHS), is testing the provision of VR services to youth receiving SSI and will provide some evidence on the role of schools and VR for this population. We will also pursue research on this topic through work supported by our Disability Research Consortia and other agencies' funded research (such as the Administration for Community Living's National Institute on Disability, Independent Living, and Rehabilitation Research).

We cannot force individuals to receive services they are not interested in receiving or do not need. We will need to consider the State VR agencies' capacity for serving these youth to ensure we do not overburden their systems. We will also need to consider the legal (including privacy) requirements for any data sharing as this may be limited to research activities as opposed to operational activities.

Absent any recommendation for Education—or any other relevant, service-providing agency or department—we will have difficulty complying with this recommendation. However, as an active member of the Federal Partners in Transition Workgroup (FPT), formed in 2005 with Education, DOL, and HHS, we strive to improve interagency policy and service coordination to support youth with disabilities in successfully transitioning from school to adulthood. To support those efforts, the FPT developed the 2020 Federal Youth Transition Plan, which is a blueprint of agencies efforts to improve the provision of transition services to students with disabilities.

Recommendation 4

Explore various options for increasing connections to VR, including their potential costs and benefits. One option, among others, could be to expand the Ticket to Work program to include youth.

Response

We agree. In addition to assessing our legal and statutory options for referring youth to VR and/or changing the Ticket to Work program, we will also continue our research supporting youth transition.

Appendix III: Comments from the Department of Education



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Mr. Daniel Bertoni
Director
Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

APR 27 2017

Dear Mr. Bertoni:

I am writing to respond to the Government Accountability Office (GAO) draft report, "Supplemental Security Income: SSA Could Strengthen Its Efforts to Encourage Employment for Transition-Age Youth" (GAO-17-485). The U.S. Department of Education (Department) appreciates the opportunity to respond to the draft report. While it is primarily about the activities of the Social Security Administration (SSA), the discussion and conclusions involve the special education and vocational rehabilitation (VR) programs administered by the Department.

The draft report's four recommendations are made to the Acting Commissioner of the Social Security Administration. The first two recommendations do not involve the Department. The third recommendation mentions the Acting Commissioner working with the Secretary of Education and the fourth involves the Department's VR program. Below please find the Department's responses to the latter two recommendations.

Recommendation (3) Work with the Secretary of Education to determine the extent to which youth on SSI are not receiving transition services through schools that can connect them to VR.

Response: Every child with a disability (students determined eligible for special education and related services) under the Individuals with Disabilities Education Act (IDEA) is required to receive transition services by age 16. We reference the specifics in the technical comments we are providing. We believe that because of the severity or extent of their disabilities, the majority of children receiving SSI would be receiving special education and related services under IDEA. The Department will cooperate with SSA efforts to determine the extent to which the SSI subpopulation is being connected to VR services through schools. We do note, however, that Federal privacy statutes may complicate or limit comparisons regarding student data.

Recommendation (4) Explore various options for increasing connections to VR, including their potential costs and benefits. One option, among others, could be to expand the Ticket to Work program to include youth.

Response: The Department will cooperate with SSA in SSA's consideration and exploration of options to connect (students receiving SSI) to VR services. Early intervention in providing services is generally seen as an important contributor to success of rehabilitation programs, and, as GAO has noted in the draft report, once individuals begin collecting SSI they typically remain

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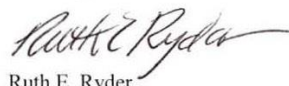
**Appendix III: Comments from the Department
of Education**

on the benefit rolls for decades. However, the results of the Ticket to Work program have not yet been fully analyzed for effects on that program's adult target population and SSA might wish to have the ongoing evaluation complete before considering expanding the eligible population. The Department defers to SSA on that aspect. We note that while VR agencies are the predominate providers of Ticket to Work services, they are not the only providers, or potential providers. A lower eligibility age for Ticket to Work services might interest potential Ticket to Work service providers with youth services or educational services orientations.

We are providing you under separate cover the Department's technical comments on the draft report, for your consideration.

Again, the Department appreciates the opportunity to respond to the draft report. If you or your staff members have any questions regarding our response, please contact me at (202) 245-7459 or e-mail (Ruth.Ryder@ed.gov).

Sincerely,



Ruth E. Ryder
Delegated the duties of the Assistant Secretary
for Special Education and Rehabilitative Services

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Daniel Bertoni, Director, (202) 512-7215 or bertonid@gao.gov

Staff Acknowledgments

In addition to the contact named above, Michele Grgich (Assistant Director), David Barish (Analyst-in-Charge), Divya Bali, Susan Chin, and MacKenzie Cooper made key contributions to this report. In addition, key support was provided by Susan Aschoff, James Bennett, Dan Concepcion, Alex Galuten, Gloria Proa, Monica Savoy, Almeta Spencer, Barbara Steel-Lowney, and Nicholas Weeks.

Appendix V: Accessible Data

Data Tables

Accessible Data for Figure 1: Percentage of Transition-Age Youth (Ages 14-17) on Supplemental Security Income with Earnings Who Benefited from the Student Earned Income Exclusion (SEIE), by Age, Calendar Year 2012

Month	Age 14	Age 15	Age 16	Age 17
Jan	32.69	46.91	47.94	45.83
Feb	36.59	50	46.45	45.08
March	32.53	48.16	45.97	43.64
April	30.12	48.05	42.79	42.72
May	34.18	45.85	44.69	43.65
June	36.55	43.72	43.75	41.7
July	41.95	44.83	43.29	40.45
Aug	40.45	47.56	45.18	45.32
Sept	36.04	52.63	45.51	46.08
Oct	36.9	49.77	45.3	44.68
Nov	30.49	45.23	44.7	44.1
Dec	27.84	46.08	45.26	42.31

Accessible Data for Figure 2: Source of Referral to Vocational Rehabilitation for Youth, Ages 14-17, for Vocational Rehabilitation Service Records Closed in Fiscal Year 2015

Elementary and secondary educational Institutions	81.4%
Post-secondary educational Institutions	2.4%
Self referral	5.9%
All other sources ^a	10.3%

Agency Comment Letters

Accessible Text for Appendix II: Comments from the Social Security Administration

Page 1

SOCIAL SECURITY

Office of the Commissioner

SOCIAL SECURITY ADMINISTRATI ON BALTIMORE, MD 21235-0001

April 27, 2017

Mr. Daniel Bertoni Director

Education, Workforce, and Income Security

United States Government Accountability Office 441 G Street, N W

Washington, DC 20548 Dear Mr. Bertoni:

Thank you for the opportunity to review the draft report, "SUPPLEMENTAL SECURITY INCOME: SSA Could Strengthen its Efforts to Encourage Employment for Transition-Age Youth" (GAO-17-485). Please see our enclosed comments.

If you have any questions, please contact Gary S. Hatcher, Senior Advisor for the Audit Liaison Staff, at (410) 965-0680.

Sincerely,

Stephanie Hall

Acting Deputy Chief of Staff

Enclosure

Page 2

COMMENTS ON THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT, "SUPPLEMENTAL SECURITY INCOME: SSA COULD STRENGTHEN ITS EFFORTS TO ENCOURAGE EMPLOYMENT FOR TRANSITION-AGE YOUTH" (GAO-17-485)

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and does not include provisions for us to ensure recipients have access to a variety of services provided by other Federal and State agencies. It would be useful for the report to include the specific authorities authorizing SSA to conduct the level of benefits counseling and coordination of non-SSA services suggested in the report.

The report correctly notes that the Department of Education (Education), along with the States, are currently responsible for providing qualifying youth with disabilities with an individualized education program (IEP). Individuals with an IEP must receive a transition plan by age 16, which includes vocational rehabilitation (VR) services. However, having an IEP is not required to receive SSL. Education also has authority over the Rehabilitation Services Administration that runs the Federal part of the YR program. Thus, it is incumbent upon Education and the States, not Social Security, to create a pathway to VR for transition age youth.

The report does not accurately portray our efforts to encourage work and explain work incentives to youth receiving SSI. Our new brochure, *What You Need to Know About Your Supplemental Security Income (SSI) When You Turn 18*, was widely viewed as an appropriate and legal way of communicating with youth. We coordinated the brochure's content with other Federal agencies, advocacy groups, and service providers. Development of the brochure was a direct result of our work on the Youth Transition Demonstration (YTD) project. However, the brochure is not the only effort we have in this area. We agree with the YTD's finding that additional benefits counseling resulted in increased awareness of work incentives. The directive to Work Incentive Planning and Assistance (WIPA) organizations to provide work incentives counseling to youth is also a direct result of the YTD project. However, WIPA funding is capped by statute, and serves many other SSI recipients and DI beneficiaries. Our direction to WIPA organizations to spend their limited resources on this population is a demonstration of our commitment to working with youth.

Below are our responses to the recommendations. Recommendation 1

Analyze the Student Earned Income Exclusion (SEIE) data to determine why a large proportion of transition-age youth on SSI with reported earnings did not benefit from the SEIE and, if warranted, take actions to ensure that those eligible for the incentive benefit from it.

Page 3

Response

We agree.

Recommendation 2

Analyze options to improve communication about SSA-administered work incentives and the implications of work on SSI benefits, with a goal of increasing understanding of SSI program rules and work incentives among transition-age youth and their families. This should include, but not necessarily be limited to, updating SSA's procedures for staff meeting with SSI applicants, recipients, and their families to regularly and consistently discuss-when applicable-how work incentives can prevent reductions in benefit levels and how work history is considered during eligibility redeterminations.

Response

We disagree. We have already analyzed, and continuously monitor and solicit feedback on, options to improve communications about our work incentives. The report does not contain evidence to support a change from our current strategy. We continuously explore ways that we can better communicate information about work incentives for all our beneficiaries, including transition-age youth and their families. We require staff to meet with SSJ recipients regularly and instruct staff to discuss relevant work incentives. Most letters issued to recipients include information about the Choose Work site. Our current brochure provides relevant information, to fill knowledge gaps regarding the age-18 redetermination, SSA work incentives, and other resources. While not all youth take advantage of these work incentives, or are interested in them, there is no indication that staff is not providing them with appropriate work incentive information.

Recommendation 3

Work with the Secretary of Education to determine the extent to which youth on SSI are not receiving transition services through schools that can connect them to YR.

Response

We partially agree. The Promoting Readiness of Minors in SSI (PROMISE) project, a joint project between our agency, Education, the Department of Labor (DOL), and the Department of Health and Human Services (HHS), is testing the provision of YR services to youth receiving SSI and will provide some evidence on the role of schools and YR for this population. We will also pursue research on this topic through work supported by our Disability Research Consortia and other agencies' funded research (such as the Administration for Community Living's

National Institute on Disability, Independent Living, and Rehabilitation Research).

Page 4

We cannot force individuals to receive services they are not interested in receiving or do not need. We will need to consider the State YR agencies' capacity for serving these youth to ensure we do not overburden their systems. We will also need to consider the legal (including privacy) requirements for any data sharing as this may be limited to research activities as opposed to operational activities.

Absent any recommendation for Education-or any other relevant, service-providing agency or department-we will have difficulty complying with this recommendation. However, as an active member of the Federal Partners in Transition Workgroup (FPT), formed in 2005 with Education, DOL, and HHS, we strive to improve interagency policy and service coordination to support youth with disabilities in successfully transitioning from school to adulthood. To support those efforts, the FPT developed the 2020 Federal Youth Transition Plan, which is a blueprint of agencies efforts to improve the provision of transition services to students with disabilities.

Recommendation 4

Explore various options for increasing connections to YR, including their potential costs and benefits. One option, among others, could be to expand the Ticket to Work program to include youth.

Response

We agree. In addition to assessing our legal and statutory options for referring youth to YR and/or changing the Ticket to Work program, we will also continue our research supporting youth transition.

Accessible Text for Appendix III: Comments from the
Department of Education

Page 1

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Mr. Daniel Bertoni Director

Education, Workforce, and Income Security Issues

U.S. Government Accountability Office

441 G Street, NW Washington, DC 20548

APR 27, 2017

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Page 2

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yet been fully analyzed for effects on that program's adult target population and SSA might wish to have the ongoing evaluation complete before considering expanding the eligible population.

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We are providing you under separate cover the Department 's technical comments on the draft report for your consideration.

Again, the Department appreciates the opportunity to respond to the draft report. If you or your staff members have any questions regarding our response, please contact me at (202) 245-7459 or e-mail (Ruth.Ryder@cd.gov).

Sincerely,

Ruth E. Ryder

Delegated the duties of the Assistant Secretary for Special Education and Rehabilitative Services

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