



SOCIAL SECURITY

MEMORANDUM

Date: March 27, 2009

Refer To:

To: The Commissioner

From: Inspector General

Subject: Quick Response Evaluation - Impact of State Employee Furloughs on the Social Security Administration's Disability Programs (A-01-09-29137)

The attached final quick response evaluation presents the results of our review. Our objective was to assess the impact of State employee furloughs on the Social Security Administration's disability programs.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr." with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Attachment

QUICK RESPONSE EVALUATION



Impact of State Employee Furloughs on the Social Security Administration's Disability Programs

A-01-09-29137



March 2009

Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

OBJECTIVE

Our objective was to assess the impact of State employee furloughs on the Social Security Administration's (SSA) disability programs.

BACKGROUND

SSA provides Disability Insurance (DI) and Supplemental Security Income (SSI) benefit payments to eligible individuals under Titles II and XVI of the *Social Security Act*.¹ To receive either, an individual must file an application with SSA. Once an application is filed, an SSA field office determines whether the individual meets the non-disability criteria for benefits,² and if so, generally forwards the claim to the disability determination services (DDS) in the State or other responsible jurisdiction in accordance with the *Social Security Act* and Federal regulations for a disability determination.³ DDSs are in each of the 50 States plus the District of Columbia and Puerto Rico.

SSA reimburses the DDS for 100 percent of allowable expenditures up to its approved funding authorization. The expenditures include both costs directly related to claims processing (such as disability adjudicators' salaries) and indirect costs. (See Appendix C for additional information about DDS funding.)

To deal with budget deficits, some States have instituted, or are considering, furloughs for State employees—including staff at the DDSs, which are 100-percent funded by SSA. However, Federal regulations state:

Subject to appropriate Federal funding, the State will, to the best of its ability, facilitate the processing of disability claims by avoiding personnel freezes, restrictions against overtime work, or curtailment of facilities or activities.⁴

¹ The *Social Security Act* §§ 201 *et seq.* and 1601 *et seq.*, 42 U.S.C. §§ 401 *et seq.* and 1381 *et seq.*

² For DI benefits, the non-disability criteria include such factors as sufficient earnings, while for SSI benefits, the non-disability criteria include such factors as citizenship, low income and resources. 20 C.F.R. §§ 404.130 *et seq.*, 404.315, 416.202, and 416.1100 *et seq.*

³ The *Social Security Act* §§ 221(a)(1) and 1633(a), 42 U.S.C. §§ 421(a)(1) and 1383b(a). 20 C.F.R. §§ 404.1601 *et seq.* and 416.1001 *et seq.*

⁴ 20 C.F.R. §§ 404.1621(d) and 416.1021(d).

Additionally, on February 3, 2009, California began delaying payments to individuals who provide consultative examinations and medical records. California also notified SSA that there would be a 30-day delay in payment (which was due to SSA by February 26, 2009) of the estimated amount of its March 2009 federally administered State supplement to SSI recipients.⁵

To perform this review, we gathered and reviewed data related to workloads in FYs 2008 and 2009; interviewed SSA officials to obtain information on SSA's disability programs; sent a survey to all DDS Administrators to determine the status of furloughs and hiring freezes; and calculated the dollar impact of furloughs in California. (See Appendix B for additional information about our scope and methodology.)

The results presented in this report are a snapshot of what was happening in States during late February and early March 2009. Because of the current economic crisis nationwide, other States may impose furloughs and/or hiring freezes and may continue to do so until their State economies improve.

⁵ In addition to the Federal SSI payment, States may provide benefits to their own recipients in recognition of the variations in living costs from one State to another and for the special needs of some individuals. California pays a State supplement to almost 900,000 SSI recipients.

Results of Review

Furloughs of DDS employees will impact SSA's ability to process the disability workload. Additionally, because fewer disability decisions will be made in States with DDS furloughs, as well as other State budget issues affecting DDS operations, there will be a negative impact on the flow of money in the U.S. economy.

FURLOUGHES

In Fiscal Year (FY) 2008, SSA spent \$1.8 billion funding DDS operations for almost 14,000 DDS employees who processed about 3.6 million disability claims nationwide. (See Appendix D for a breakout by DDS.) Further, SSA plans to spend about \$2 billion in FY 2009 on DDS operations and expects the DDSs to process almost 4 million claims. However, SSA's ability to process this workload will be negatively impacted by furloughs. As of March 3, 2009, of the 52 DDSs,⁶

- 5 were furloughing,
- 3 were considering furloughs, and
- 44 were not furloughing or the DDS was exempt.⁷

Of the five States furloughing:

- California is furloughing all DDS staff 2 days each month through June 2010.⁸
- Connecticut had one voluntary furlough day for managers on February 13, 2009. Since then, the Governor has extended the request for voluntary furloughs to all State employees through June 1, 2009.⁹

⁶ In addition to the 52 DDSs, Guam and the Virgin Islands also have small disability processing centers which we did not include in this review.

⁷ Of the 44 DDSs, 32 are in States that are not furloughing; 3 are in States that are furloughing, but the DDS is exempt; and 9 are in States that are considering furloughs but the DDS will likely be exempt or it is unknown whether the DDS would be exempt.

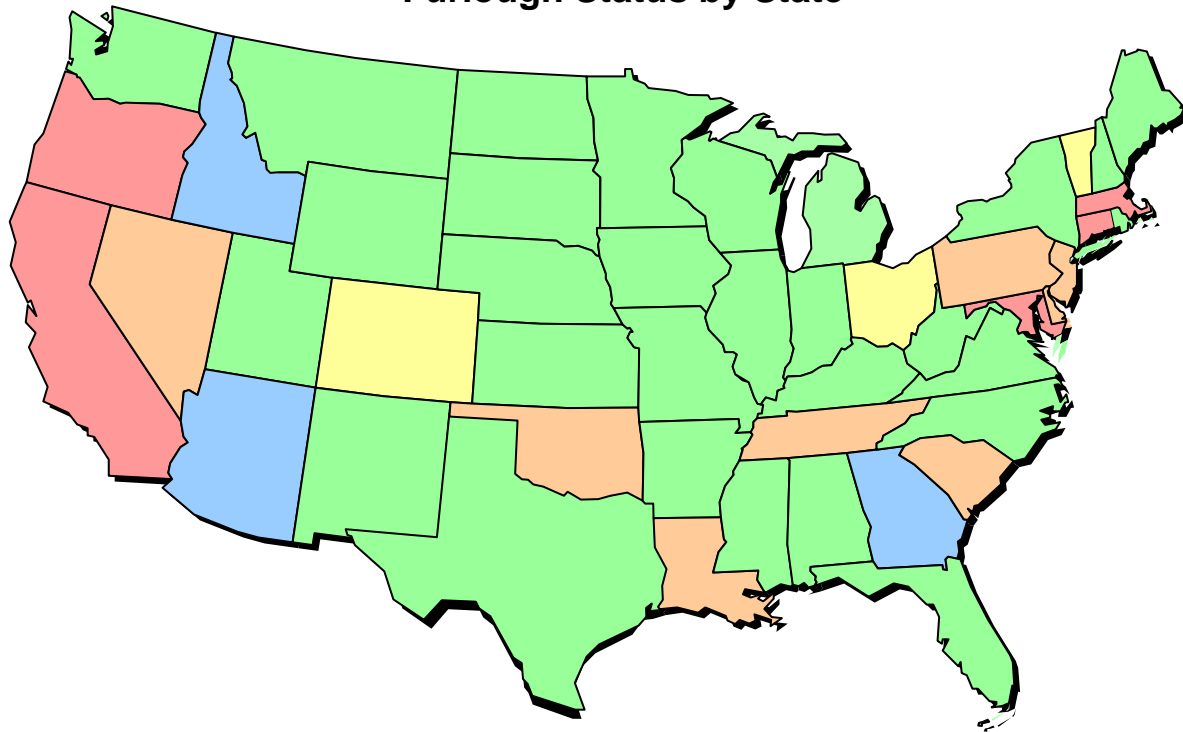
⁸ As of February 17, 2009, California had a tentative agreement with its union to reduce the furloughs from 2 days to 8 hours per month. The proposal is to not close offices but instead give employees 8 hours of furlough leave per month that could be used the same way that vacation/sick leave is used. As of March 3, 2009, this tentative agreement had not been ratified, but it is expected to be approved by the end of March 2009. On March 5, 2009, the Governor of California responded to the San Francisco Regional Commissioner, and on March 10, 2009, the Director of the Department of Social Services (parent agency to the California DDS) responded to the Commissioner regarding efforts to exempt the DDS from furloughs. Both responses indicated the California DDS would be subject to the tentative furlough agreement.

⁹ It is not known whether any Connecticut DDS employees—other than the administrator—have complied with the Governor's request for voluntary furloughs.

- Maryland is furloughing 2 unpaid holidays for all State employees and additional furlough days for State employees within certain salary ranges through June 2009.¹⁰
- Massachusetts is furloughing DDS managers 3 days through June 2009.¹¹
- Oregon is furloughing DDS managers from 1 to 4 days, depending on salary range, through June 2009.¹²

These five States represent over 15 percent of the national DDS workload each year. See the map below¹³ and Appendix E for details of the furlough status for the 52 DDSs.

Furlough Status by State



	DDSs Furloughing
	States Furloughing- DDS Exempt
	States Considering Furloughs- DDS Not Likely Exempt
	States Considering Furloughs- DDS Likely Exempt or Unknown
	No Furloughs

¹⁰ In Maryland, employees with salaries of \$40,000 to \$59,999 will have 2 furlough days, and employees with salaries of \$60,000 and over will have 3 furlough days. These furlough days must be taken by June 30, 2009.

¹¹ In Massachusetts, the DDS managers can work the furlough days and be compensated after retirement or they can work without pay.

¹² In Oregon, the Governor is proposing furloughs for other DDS staff up to 26 days.

¹³ Alaska, Hawaii, and Puerto Rico do not appear on the map. Hawaii was considering furloughs but the DDS was likely exempt. Alaska and Puerto Rico were not furloughing.

Dollar Impact of Furloughs on Economy

In FY 2008:

- SSA issued over \$142 billion in DI and SSI payments to more than 14 million individuals. The majority of these beneficiaries and recipients were found disabled by the DDSs.
- The DDSs handled more than 3.6 million claims. The DDSs allowed 36.0 percent of claims at the initial level and 13.8 percent of claims at the reconsideration level of appeal.
- DDSs processed initial DI and SSI claims in 81 days, on average.

In FY 2009 (through February 2009), DDS initial claims receipts have increased almost 10 percent over the same period last year. Nationwide, SSA expects applications for benefits to increase 12 percent by year-end. (See Tables D-3 and D-4 in Appendix D for statistics and costs by DDS.)

Furloughs will impact the number of disability determinations the DDS will make in FY 2009, including the number of claims allowed. For example, the California DDS will encounter a shortfall of capacity by 10 percent due to furlough days. As a result, we expect approximately 2,375 disability cases would be delayed in processing per month. This would translate into about 776 allowances. Therefore, we estimate that about \$648,000 in benefits will be delayed in being paid to newly disabled claimants and from flowing into the economy on a rolling monthly basis. (See Appendix F for more details.)

Further, since January 1, 2009, the California DDS' initial claims pending has increased 9.7 percent, and its reconsideration claims pending has increased 16.1 percent, as a result of increased applications and the furloughs. Therefore, claimants will have to wait longer for disability decisions.

Continuing Disability Reviews

SSA conducts periodic continuing disability reviews (CDR) to ensure that only those beneficiaries who remain disabled continue to receive benefits. Most CDR cases that are profiled as having a high likelihood of medical improvement are sent to the DDS for a full medical review. The DDS is also responsible for processing all CDRs for SSI disabled children and in all cases where there has been a report of medical improvement.

In FY 2007, DDS employees processed 189,955 medical CDRs and ceased benefits in 52,490 cases. SSA estimates that for FY 2007, the ratio of program savings to administrative costs was approximately \$12 to \$1.¹⁴ However, furloughs will have a direct impact on processing these CDRs—resulting in ongoing DI benefits and SSI payments to individuals who would no longer be eligible based on the CDR.

¹⁴ SSA, *Annual Continuing Disability Review Report to Congress*, November 17, 2008.

Compassionate Allowances

SSA implemented its Compassionate Allowance (CAL) initiative in October 2008—designed to quickly identify those cases where the claimant’s medical condition invariably qualifies under the Listing of Impairments based on minimal, but sufficient, objective medical evidence.¹⁵

Cases selected for CAL processing receive priority at all adjudicative levels and are handled by the most experienced disability examiners. Furloughs of DDS employees will negatively affect CAL claims by delaying the processing of these claims.

Informal Remand Processing

When a claim for disability benefits is denied, the claimant can appeal the determination.¹⁶ As part of the appeal, the hearing office can return a claim to the DDS for review of the previous determination, in what is sometimes called an informal remand (IR). The DDS then conducts a pre-hearing case review. Cases selected for IR are initial claims in which there is a strong likelihood that the DDS will revise its determination to be wholly or partially favorable to the claimant.¹⁷

A special DDS IR initiative began in June 2007 to assist in reducing the backlog of appealed cases. According to SSA, the results have been positive and exceeded expectations. In FY 2008, DDSs processed over 52,000 IRs. In FY 2009, DDSs have processed over 15,000 IRs and revised the determinations in about 4,500 of these claims (through January 30, 2009). The IR initiative has been extended through FY 2009.¹⁸

As a result of furloughs, the California DDS may not be able to continue processing IRs. This would have a negative impact on SSA’s plan to reduce its backlog of cases waiting for a hearing, as well as delaying payment to some deserving individuals.

¹⁵ SSA, POMS, DI 23022.015.

¹⁶ If the applicant disagrees with the DDS’ initial disability determination, he or she can file an appeal within 60 days of the date of notice that notified the individual of the determination. In most cases, there are four levels of appeal, including a: (1) reconsideration by the DDS, (2) hearing by an administrative law judge, (3) review by the Appeals Council and (4) review by the Federal courts. The reconsideration step of the appeals process is eliminated for DDSs participating in the Disability Redesign Prototype (Alabama, Alaska, California—Los Angeles North and Los Angeles West Branches, Colorado, Louisiana, Michigan, Missouri, New Hampshire, New York and Pennsylvania).

¹⁷ SSA, POMS, GN 04440.247.

¹⁸ SSA, Office of Disability Adjudication and Review, *Plan to Eliminate the Hearing Backlog and Prevent its Recurrence, Annual Report, FY 2008*.

OTHER ISSUES IMPACTING DDS PROCESSING

In addition to furloughs, other issues, such as hiring freezes, attrition rates, and State budget shortfalls, will impact the DDSs' ability to process workloads.

Hiring Freezes

Of the 52 DDSs,

- 5 had hiring freezes,
- 1 was considering a hiring freeze, and
- 46 did not have hiring freezes or the DDS is exempt.¹⁹

For example, the Indiana DDS reported that it had a hiring freeze. The State had deactivated positions in the DDS that could not be filled. The deactivations affected approximately 30 disability examiner positions, and several other positions including supervisory and professional positions, the Senior Medical Doctor, and quality assurance positions. In FY 2009, Indiana's initial claims pending has increased 4.4 percent. (See Appendix E for status of hiring freezes by DDSs.)

Attrition Rate

The attrition rate for DDS disability examiners was 12.5 percent in FY 2008 and 9.8 percent in FY 2009 (as of February 2009).²⁰ (See Table D-5 in Appendix D for attrition rates by DDS.) In a 2004 report, we found that lower-performing DDSs had higher rates of disability examiner attrition and fewer examiners in relationship to total staff than their higher-performing DDS counterparts.²¹ These issues may become more of an obstacle to SSA processing disability workloads if furloughs continue.

California Budget Issues

Because of budget shortfalls, in February 2009, California began delaying payments to preserve cash flow and prioritize those payments required by the State constitution, Federal law, or court rulings. DDS operations have been affected by these delayed

¹⁹ Of these 46 DDSs, 19 are in States that do not have hiring freezes; 24 are in States that have hiring freezes, but the DDS is exempt; and 3 are in States that are considering hiring freezes, but the DDS will likely be exempt or it is unknown whether the DDS would be exempt. Of the 24 DDSs exempted from State hiring freezes, 5 reported they were actually under a hiring freeze, but had received some approvals for hiring.

²⁰ The attrition rate for all DDS staff was 10.5 percent in FY 2008 and 8.3 percent in FY 2009 (as of February 2009). The attrition rates for FY 2009 were annualized, based on the average weekly losses divided by the average weekly staff through February 13, 2009—assuming the rate of loss during this period will continue unchanged through the remainder of the year. Because attrition can be seasonal, annualized attrition rates are not completely reliable until the entire year's data are available.

²¹ SSA, OIG, *Disability Determination Services Claims Processing Performance (A-07-03-13054)*, August 2004.

payments because the State has stopped paying for the evidence the DDS needs to make disability determinations—even though SSA reimburses the DDS for these expenditures up to its approved funding authorization.²² If the California DDS does not obtain existing medical evidence or purchase medical examinations that it needs to make correct determinations, the quality of its disability determinations could suffer.

SSA's EFFORTS TO ENSURE OPTIMAL DDS PROCESSING

SSA has been proactive in addressing the impact of furloughs. On February 3, 2009, the Commissioner of Social Security sent a letter to the Chair of the National Governors Association, urging States to exempt their DDSs from hiring restrictions and furloughs. In this letter, the Commissioner stated that SSA funds 100 percent of DDS employees' salaries as well as overhead—about \$2 billion nationwide in FY 2009. States cannot use these funds for any other purpose, so States do not save money by cutting employees in the DDSs—they only slow getting benefits to the disabled. The Commissioner also pointed out that States receive significant benefits from the operation of the DDSs. The faster SSA approves claims for benefits, the sooner many disability applicants move from State to Federal support. In addition, the salaries for DDS employees funded by SSA reduce unemployment levels in the States.

Additionally,

- The Commissioner of Social Security sent a letter to all State Governors to educate them about the SSA Federal/State DDS relationship and reemphasize that SSA pays for 100 percent of the costs to process SSA disability workloads.
- Over the past 6 months, SSA Regional Commissioners have urged States to exempt DDSs from hiring restrictions and furloughs.
- SSA staff met with staff members from the House Ways and Means Subcommittee, Subcommittee on Social Security regarding the impact of the furloughs and hiring freezes on the disability program.
- SSA's Associate Commissioner of Disability Determinations plans to speak at a Council of State Administrators of Vocational Rehabilitation conference regarding the importance of exempting the DDSs from State-wide hiring restrictions and furloughs.

²² To adjudicate disability claims, the DDS requests—and may pay for—claimants' medical records and the results of any diagnostic tests or procedures that have been performed. If additional evidence is needed, the DDS may purchase medical examinations, including psychiatric and psychological examinations, X rays and laboratory tests (including specialized tests, such as pulmonary function studies, electrocardiograms, and stress tests) from an independent medical source.

Matters for Consideration

Furloughs and other DDS issues, such as hiring freezes, will impact SSA’s disability programs as well as the flow of money in the economy. The decision to furlough DDS employees means the processing of disability workloads will be delayed. Also, DDSs will not be able to respond to the growing demand for their services if they are unable to hire sufficient staff or if existing staff are told not to report for work.

Since SSA funds 100 percent of DDS employees’ salaries as well as overhead, and these funds cannot be used by the States for any other purpose, there is no cost savings to the States who furlough DDS employees. Furloughs and other budget issues—including hiring freezes—slow the processing of claims for disability benefits and reduce the flow of those benefits into the economy. Therefore, SSA should continue to urge States to ensure DDSs are operating at full capacity or pursue other options to avoid these delays by shifting work away from States that are implementing furloughs.

Options for Addressing Impact of DDS Furloughs		
Option	Positives	Negatives
Work with States to exempt DDS employees from furloughs.	Will eliminate all impacts of State furloughs.	
Work with furloughing States to allow DDS employees to work more hours on non-furlough days.	Will partially reduce the impact of furloughs—depending on number of hours worked.	Medical consultants/contractors do not traditionally work overtime so there may be personnel restrictions about working additional hours.
Transfer work to Federal disability examiners (in Regions or in Headquarters).	Will partially reduce the impact of the furloughs—depending on the availability of Federal disability examiners to take on additional work.	Will not fully address impact of the furloughs. May reduce the Federal disability examiners’ ability to help other DDSs. Transfer of claims would involve administrative planning and resources.
Transfer work to other State DDSs that are not furloughing.	Will partially reduce the impact of the furloughs—depending on the availability of other DDSs to take on additional work.	Will not fully address impact of the furloughs and may impact other DDSs’ ability to complete their own workloads. Transfer of claims would involve administrative planning and resources.

Options for Addressing Impact of DDS Furloughs		
Option	Positives	Negatives
Hire retired DDS and Disability Quality Branch (DQB) disability examiners as rehired annuitants on contract (in Regions or Headquarters).	Will partially reduce the impact of the furloughs—depending on the availability of retired examiners to perform work.	Will not fully address impact of the furloughs. Will require refresher training and possible enhanced quality reviews of these disability determinations.
Allow current SSA employees who used to work as disability examiners in DDS or DQB to work disability claims on overtime (in Regions or Headquarters).	Will partially reduce the impact of the furloughs—depending on the availability of former examiners to perform work.	Will not fully address impact of the furloughs. Will require refresher training and possible enhanced quality reviews of these disability determinations.
Contract disability claims out to private companies.	Will reduce the impact of furloughs and allow for future flexibility in handling future DDS backlogs.	May require legislative and regulatory authority. May not be cost effective and may require an assessment to determine if contracting for these services is permissible. Note: this work has been identified by SSA as 'inherently governmental activity' and therefore exempt from competitive contracting. ²³ Will require oversight of the contract(s) and possible enhanced quality reviews of these disability determinations.
Take over State DDS Operations (Federalize the DDSs).	Will eliminate all impacts of State furloughs and give SSA complete control over its disability determinations. SSA could achieve savings by maintaining one case processing and fiscal system rather than supporting separate systems for each DDS.	Would require legislative and regulatory changes. Will require significant administrative and planning resources. Will impact SSA's costs for disability determinations. For example, Federal salaries for disability examiners may be higher than some State salary rates.

²³ Office of Management and Budget, *Circular A-76: Performance of Commercial Activities*, May 29, 2003.

Other Matter

California delayed paying its estimated share of the March 2009 federally administered State supplement to SSI recipients (which was due to SSA by February 26, 2009)—approximately \$286 million paid monthly to almost 900,000 recipients—and administrative fees estimated at \$13 million. SSA issued these supplemental payments on behalf of the State, but California is required to reimburse SSA for the State supplement payments and fees in addition to interest charges accruing on the late payments.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Disability Determination Services Funding

APPENDIX D – Disability Statistics by Jurisdiction

APPENDIX E – Furlough/Hiring Freeze Status by Disability Determination Services

APPENDIX F – Methodology of Furlough Impact

APPENDIX G – OIG Contacts and Staff Acknowledgments

Acronyms

CAL	Compassionate Allowance
CDR	Continuing Disability Reviews
C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
DI	Disability Insurance
DQB	Disability Quality Branch
FY	Fiscal Year
IR	Informal Remand
OMB	Office of Management and Budget
Pub. Law No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

Scope and Methodology

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration (SSA) regulations, policies and procedures.
- Researched prior reports issued by the Office of the Inspector General.
- Reviewed continuing disability review data.
- Reviewed *National Disability Determination Services (DDS) Performance Summary* reports for Fiscal Years (FY) 2006 through 2008.
- Gathered and reviewed data related to anticipated DDS workloads in FY 2009.
- Interviewed SSA officials to obtain information on SSA's disability programs.
- Sent a survey to all DDS administrators to determine the status of furloughs and hiring freezes.
- Calculated dollar impact of furloughs in California.

We performed our review in February and March 2009 in Boston, Massachusetts. We conducted our review in accordance with the President's Council on Integrity and Efficiency's *Quality Standards for Inspections*.

Disability Determination Services Funding

The Social Security Administration (SSA) is responsible for implementing policies for the development of disability claims under the Disability Insurance (DI) and Supplemental Security Income (SSI) programs. The DI program provides benefits to wage earners and their families in the event of disability. The SSI program provides benefits to financially needy individuals who are aged, blind or disabled. Additionally, States have the option of supplementing their residents' SSI payments and may choose to have the additional payments administered by SSA.

Disability determinations under both the DI and SSI programs are performed by disability determination services (DDS) in each State or other responsible jurisdiction in accordance with the *Social Security Act* and Federal regulations.¹ In carrying out its obligation, each DDS is responsible for determining claimants' disabilities and ensuring adequate evidence is available to support its determinations. To assist in making proper disability determinations, each DDS is authorized to purchase medical examinations, X rays and laboratory tests on a consultative basis to supplement evidence obtained from the claimants' physicians or other treating sources.

SSA reimburses the DDS for 100 percent of allowable expenditures up to its approved funding authorization.² The DDS withdraws Federal funds through the Department of the Treasury's Automated Standard Application for Payment system to pay for program expenditures. Funds drawn down must comply with Federal regulations³ and intergovernmental agreements entered into by the Department of the Treasury and States under the *Cash Management Improvement Act of 1990*.⁴ An advance or reimbursement for costs under the program must comply with Office of Management and Budget (OMB) Circular A-87. At the end of each quarter of the Fiscal Year, each DDS submits a Form SSA-4513, *State Agency Report of Obligations for SSA Disability Programs*, to account for program disbursements and unliquidated obligations.

¹ The *Social Security Act* §§ 221(a)(1) and 1633(a), 42 U.S.C. §§ 421(a)(1) and 1383b(a). 20 C.F.R. §§ 404.1601 *et seq.* and 416.1001 *et seq.*

² Expenditures include direct and indirect costs. Direct costs can be identified specifically with a particular cost objective. Indirect costs arise from activities that benefit multiple programs but are not readily assignable to these programs without effort disproportionate to the results achieved. (OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, Attachment A, §§ E.1 and F.1)

³ 31 C.F.R. § 205.1 *et seq.*

⁴ Pub. Law No. 101-453, 104 Stat. 1058, in part amending 31 U.S.C. §§ 3335, 6501, and 6503.

Disability Statistics by Jurisdiction

Table D-1 shows the number of all Disability Insurance (DI) beneficiaries and their dependents as of December 2007, and the estimated total annual benefits paid to those individuals.¹

Table D-1: December 2007 DI Statistics by Jurisdiction			
Jurisdiction	Disabled Beneficiaries	Dependents	Annual Benefits Paid (in millions)
Alabama	211,668	50,792	\$2,542
Alaska	11,737	2,711	\$147
Arizona	143,125	32,475	\$1,872
Arkansas	130,110	31,368	\$1,534
California	675,491	140,871	\$8,430
Colorado	88,431	17,940	\$1,107
Connecticut	81,921	17,870	\$1,030
Delaware	25,412	5,515	\$334
District of Columbia	12,328	1,706	\$129
Florida	466,830	98,148	\$5,848
Georgia	242,033	53,975	\$2,923
Hawaii	22,881	4,810	\$285
Idaho	36,685	8,773	\$447
Illinois	281,168	61,593	\$3,441
Indiana	178,959	41,307	\$2,178
Iowa	73,818	15,079	\$846
Kansas	65,692	14,080	\$780
Kentucky	198,836	48,592	\$2,392
Louisiana	145,689	38,292	\$1,700
Maine	56,646	13,632	\$652
Maryland	111,716	21,724	\$1,402
Massachusetts	188,613	45,137	\$2,307
Michigan	303,099	69,424	\$3,852
Minnesota	113,489	23,931	\$1,375
Mississippi	129,993	33,551	\$1,503
Missouri	197,456	44,502	\$2,374
Montana	25,601	5,107	\$302

¹ SSA, *Annual Statistical Supplement*, 2008.

Table D-1: December 2007 DI Statistics by Jurisdiction

Jurisdiction	Disabled Beneficiaries	Dependents	Annual Benefits Paid (in millions)
Nebraska	40,203	8,912	\$462
Nevada	53,086	10,613	\$718
New Hampshire	40,178	11,226	\$530
New Jersey	188,202	41,653	\$2,523
New Mexico	56,661	12,777	\$674
New York	503,928	116,553	\$6,389
North Carolina	305,284	63,319	\$3,707
North Dakota	14,332	2,678	\$156
Ohio	306,402	63,552	\$3,555
Oklahoma	117,499	25,340	\$1,396
Oregon	92,712	16,449	\$1,143
Pennsylvania	375,865	85,898	\$4,590
Rhode Island	34,831	7,515	\$417
South Carolina	159,995	33,738	\$1,956
South Dakota	18,186	3,557	\$200
Tennessee	226,309	49,070	\$2,668
Texas	500,548	120,629	\$6,034
Utah	39,327	10,350	\$483
Vermont	20,183	4,613	\$232
Virginia	203,412	46,039	\$2,537
Washington	152,960	29,269	\$1,915
West Virginia	101,006	23,912	\$1,271
Wisconsin	141,085	30,001	\$1,686
Wyoming	11,507	2,299	\$142
American Samoa	1,269	763	\$13
Guam	1,493	617	\$16
Northern Mariana Islands	249	79	\$2
Puerto Rico	171,528	48,729	\$1,752
U.S. Virgin Islands	2,057	579	\$24
Foreign countries	18,658	3,857	\$162
Total	8,118,382	1,817,491	\$99,086

Table D-2 shows the number of disabled Supplemental Security Income (SSI) recipients and the amount they received in December 2007.²

Table D-2: December 2007 SSI Disability Statistics by DDS		
Jurisdiction	Disabled Recipients	Payments Issued in December 2007 (in thousands)
Alabama	149,835	\$73,740
Alaska	9,419	\$4,803
Arizona	87,377	\$44,118
Arkansas	87,126	\$42,598
California	880,384	\$572,476
Colorado	49,810	\$25,185
Connecticut	47,551	\$23,812
Delaware	13,191	\$6,510
District of Columbia	20,043	\$11,006
Florida	332,257	\$166,921
Georgia	182,111	\$91,775
Hawaii	16,983	\$9,271
Idaho	21,903	\$10,934
Illinois	231,486	\$120,076
Indiana	98,796	\$50,738
Iowa	41,259	\$19,276
Kansas	37,191	\$18,758
Kentucky	171,464	\$84,209
Louisiana	146,498	\$71,919
Maine	31,112	\$15,052
Maryland	82,871	\$44,331
Massachusetts	133,412	\$72,695
Michigan	211,535	\$112,914
Minnesota	68,050	\$34,158
Mississippi	109,470	\$52,879
Missouri	113,037	\$55,475
Montana	14,538	\$7,097
Nebraska	20,991	\$10,158
Nevada	26,757	\$14,050
New Hampshire	14,315	\$7,141
New Jersey	122,336	\$63,451
New Mexico	47,997	\$23,701

² SSA, *Annual Report of the SSI Program*, May 2008.

Table D-2: December 2007 SSI Disability Statistics by DDS

Jurisdiction	Disabled Recipients	Payments Issued in December 2007 (in thousands)
New York	512,418	\$290,622
North Carolina	182,300	\$88,063
North Dakota	7,105	\$3,089
Ohio	242,832	\$127,622
Oklahoma	77,798	\$39,003
Oregon	56,160	\$28,526
Pennsylvania	306,004	\$161,365
Rhode Island	27,189	\$14,512
South Carolina	94,465	\$46,262
South Dakota	11,391	\$5,203
Tennessee	148,021	\$74,714
Texas	436,704	\$212,829
Utah	22,130	\$11,397
Vermont	12,791	\$6,418
Virginia	120,667	\$56,932
Washington	106,417	\$58,675
West Virginia	75,143	\$37,483
Wisconsin	88,140	\$43,592
Wyoming	5,438	\$2,558
Northern Mariana Islands	696	\$380
Total	7,359,525	\$3,270,520

Table D-3 shows workload statistics at Disability Determination Services (DDS) in Fiscal Year (FY) 2008.³

Table D-3: FY 2008 DDS Workload Statistics					
DDS	Total Dispositions ⁴	DDS Costs	Employees ⁵	Processing Time (days)	
				DI	SSI
Alabama	75,641	\$41,596,075	342	64	63
Alaska	4,831	\$3,858,083	20	78	78
Arizona	62,330	\$29,136,899	223	94	93
Arkansas	64,658	\$22,902,043	235	63	62
California	357,556	\$198,593,617	1,310	86	88
Colorado	32,609	\$18,580,491	133	77	77
Connecticut	28,633	\$17,616,286	105	72	81
Delaware	9,183	\$5,988,105	44	97	97
District of Columbia	8,531	\$5,987,299	34	78	77
Florida	230,003	\$100,169,044	832	80	83
Georgia	128,131	\$52,448,208	441	88	88
Hawaii	9,007	\$5,692,256	40	84	92
Idaho	16,615	\$6,896,280	52	62	62
Illinois	144,975	\$68,138,817	482	74	76
Indiana	87,124	\$38,199,876	271	80	84
Iowa	29,552	\$18,670,523	122	80	83
Kansas	31,613	\$14,674,611	116	73	71
Kentucky	94,093	\$39,280,761	385	83	84
Louisiana	65,180	\$31,999,862	286	67	67
Maine	15,172	\$7,528,838	61	64	68
Maryland	58,763	\$27,957,577	225	78	82
Massachusetts	63,449	\$40,453,622	254	71	76
Michigan	123,252	\$72,179,008	514	83	85
Minnesota	50,220	\$22,329,232	156	75	77
Mississippi	76,320	\$25,907,947	260	72	69
Missouri	73,447	\$29,070,791	274	61	60
Montana	9,945	\$4,918,848	43	78	81
Nebraska	17,334	\$9,222,641	78	65	64
Nevada	24,140	\$11,625,528	98	94	98
New Hampshire	10,269	\$5,274,467	45	91	101
New Jersey	79,019	\$50,830,026	288	113	113
New Mexico	26,783	\$12,059,628	86	78	78
New York	187,645	\$143,994,254	821	78	81

³ SSA, Office of Disability Determinations, *DDS Performance Profiles*, February 2009.

⁴ The total dispositions show the total number of all DDS cases processed.

⁵ This is the actual number of workyears—the equivalent of full-time positions—in each DDS, not the number of employees.

Table D-3: FY 2008 DDS Workload Statistics

DDS	Total Dispositions ⁴	DDS Costs	Employees ⁵	Processing Time (days)	
				DI	SSI
North Carolina	125,476	\$48,387,556	437	93	94
North Dakota	5,563	\$2,502,789	25	67	72
Ohio	176,252	\$75,610,439	570	90	92
Oklahoma	54,185	\$23,187,209	207	85	85
Oregon	39,328	\$23,077,980	163	83	87
Pennsylvania	142,130	\$88,139,201	569	94	94
Puerto Rico	27,735	\$14,612,254	149	130	***
Rhode Island	12,387	\$7,014,615	40	122	131
South Carolina	68,481	\$31,425,550	273	85	86
South Dakota	7,477	\$3,126,011	28	88	97
Tennessee	104,972	\$47,283,932	419	92	94
Texas	284,578	\$122,628,215	974	61	60
Utah	16,429	\$9,611,617	68	87	90
Vermont	5,982	\$3,554,829	31	90	92
Virginia	76,973	\$36,908,443	320	77	78
Washington	66,300	\$33,329,700	235	74	75
West Virginia	40,835	\$18,106,038	168	77	77
Wisconsin	59,799	\$28,344,924	213	78	84
Wyoming	3,889	\$2,650,167	16	84	88
Total	3,614,794	\$1,803,283,012	13,604	81	81

*** SSI is limited to individuals in the United States and does not include Puerto Rico.

Table D-4 shows workload statistics at DDSs in FY 2009 through February 13, 2009.⁶

Table D-4: FY 2009 DDS Workload Statistics (through February 13, 2009)			
DDS	Total Dispositions	DDS Costs	Employees⁷
Alabama	31,065	\$19,626,485	354
Alaska	1,679	\$1,784,998	20
Arizona	24,923	\$12,589,918	220
Arkansas	22,592	\$10,286,994	235
California	130,358	\$87,881,890	1348
Colorado	11,690	\$7,896,158	131
Connecticut	11,596	\$8,188,136	106
Delaware	3,444	\$2,299,154	41
District of Columbia	3,845	\$3,476,593	36
Florida	98,137	\$44,123,056	853
Georgia	46,812	\$23,970,738	449
Hawaii	3,607	\$2,718,495	42
Idaho	7,704	\$3,372,350	59
Illinois	47,506	\$30,837,706	469
Indiana	31,895	\$17,649,124	267
Iowa	11,706	\$9,216,282	125
Kansas	12,172	\$7,308,947	116
Kentucky	34,848	\$17,064,833	402
Louisiana	25,321	\$15,114,625	291
Maine	6,758	\$3,580,848	62
Maryland	22,251	\$12,513,645	230
Massachusetts	26,979	\$18,746,235	259
Michigan	38,792	\$33,984,293	515
Minnesota	18,198	\$10,013,788	153
Mississippi	29,746	\$11,642,615	268
Missouri	28,567	\$14,219,616	282
Montana	3,712	\$2,276,989	46
Nebraska	6,135	\$4,289,616	79
Nevada	8,629	\$5,442,370	99
New Hampshire	4,003	\$2,358,438	45
New Jersey	28,019	\$23,355,258	277
New Mexico	9,325	\$5,462,761	80
New York	72,252	\$63,809,384	823
North Carolina	48,578	\$23,312,987	443
North Dakota	1,945	\$1,100,298	25

⁶ SSA, Office of Disability Determinations, February 2009. The DDS costs reflect funding under the continuing resolution through March 6, 2009. The total dispositions show the total number of all DDS cases processed in FY 2009, through February 13, 2009.

⁷ This is the actual number of work years—the equivalent of full-time positions—in each DDS, not the number of employees.

Table D-4: FY 2009 DDS Workload Statistics (through February 13, 2009)			
DDS	Total Dispositions	DDS Costs	Employees⁷
Ohio	63,693	\$34,588,149	585
Oklahoma	19,015	\$11,031,966	212
Oregon	16,062	\$10,123,780	171
Pennsylvania	51,683	\$38,149,614	571
Puerto Rico	10,428	\$6,701,286	146
Rhode Island	5,221	\$3,429,013	39
South Carolina	24,750	\$13,693,431	284
South Dakota	2,625	\$1,350,044	29
Tennessee	42,384	\$22,319,958	435
Texas	103,115	\$56,191,061	974
Utah	6,157	\$4,360,241	70
Vermont	2,697	\$1,654,538	32
Virginia	28,188	\$16,341,273	324
Washington	25,444	\$15,392,666	242
West Virginia	15,318	\$8,487,841	172
Wisconsin	19,993	\$13,436,468	216
Wyoming	1,387	\$1,139,184	16
Total	1,352,949	\$819,906,136	13,792

Table D-5 shows the attrition rates at DDSs in FY 2008 and FY 2009 (through February 13, 2009).⁸

Table D-5: DDS Attrition Rates FYs 2008-2009				
DDS	FY 2008		FY 2009	
	Examiner	All Staff	Examiner	All Staff
Alabama	7.6	6.5	12.4	7.9
Alaska	46.5	27.5	20.1	25.2
Arizona	21.4	14.1	15.2	7.2
Arkansas	11.9	4.9	6.9	7.0
California	8.4	9.4	7.2	8.7
Colorado	14.1	9.7	4.6	2.1
Connecticut	4.9	3.9	8.5	4.9
Delaware	24.7	21.5	23.2	32.7
District of Columbia	4.2	12.1	20.5	15.7
Florida	19.7	15.3	8.7	7.9
Georgia	19.9	13.7	14.6	5.2
Hawaii	9.1	4.5	14.7	7.3
Idaho	11.8	9.9	0	0
Illinois	13.7	12.4	10.4	10.8
Indiana	15.3	9.2	15.4	8.6
Iowa	0.8	3.5	0.0	0.0
Kansas	12.0	8.0	9.4	10.6
Kentucky	14.9	14.3	6.9	10.9
Louisiana	34.0	19.9	35.3	20.5
Maine	40.4	18.9	0	0
Maryland	16.7	15.9	11.7	3.9
Massachusetts	3.6	3.4	1.7	10.4
Michigan	7.0	7.1	7.1	4.5
Minnesota	11.7	9.5	3.3	5.7
Mississippi	13.9	10.9	3.6	2.0
Missouri	11.4	5.8	5.4	5.0
Montana	2.7	9.3	11.5	18.5
Nebraska	15.2	9.8	0	0
Nevada	16.7	10.5	15.8	15.0
New Hampshire	0	1.3	0	0
New Jersey	12.6	11.9	2.7	1.7
New Mexico	3.5	6.0	33.8	10.9
New York	8.5	8.3	5.9	5.8

⁸ SSA, Office of Disability Determinations, February 2009. The attrition rates for FY 2009 were annualized, based on the average weekly losses divided by the average weekly staff through February 13, 2009—assuming the rate of loss during this period will continue unchanged through the remainder of the year. Because attrition can be seasonal, annualized attrition rates are not completely reliable until the entire year's data is available.

Table D-5: DDS Attrition Rates FYs 2008-2009				
DDS	FY 2008		FY 2009	
	Examiner	All Staff	Examiner	All Staff
North Carolina	13.3	14.5	26.1	15.3
North Dakota	0.0	2.3	35.4	36.9
Ohio	9.8	10.2	11.8	9.1
Oklahoma	12.2	8.0	5.8	3.9
Oregon	31.4	17.6	27.8	14.3
Pennsylvania	9.4	6.9	19.3	13.5
Puerto Rico	5.9	4.0	0	3.5
Rhode Island	2.7	19.7	9.7	20.2
South Carolina	12.5	10.1	1.6	4.5
South Dakota	27.9	25.7	14.4	19.2
Tennessee	15.4	10.8	7.0	6.5
Texas	10.3	8.5	9.4	8.6
Utah	1.5	9.5	7.5	8.4
Vermont	10.5	13.8	0	0
Virginia	17.4	11.2	9.6	12.2
Washington	8.8	14.9	4.0	5.4
West Virginia	9.7	11.3	2.5	4.2
Wisconsin	8.9	10.2	10.8	11.7
Wyoming	22.7	23.3	0	0
National	12.5	10.5	9.8	8.3

Furlough/Hiring Freeze Status by Disability Determination Services

Table E-1 shows the results of our survey of each disability determination services (DDS) administrator to determine each DDS' furlough and hiring freeze status as of March 3, 2009.

Table E-1: Status of Furlough/Hiring Freeze by DDS			
DDS	Furlough Status	Hiring Freeze Status	Remarks
Alabama	No furlough.	No hiring freeze.	
Alaska	No furlough.	Hiring freeze but DDS exempt.	
Arizona	Furlough but DDS exempt.	Hiring freeze but DDS exempt.	
Arkansas	No furlough.	No hiring freeze.	
California	Furlough in place.	No hiring freeze.	2 days per month—started in February 2009.
Colorado	Considering furloughs, DDS not likely exempt.	Hiring freeze but DDS exempt.	Possible furlough of DDS employees up to 2 days per month.
Connecticut	Administrator took one voluntary furlough day. The governor extended the request for voluntary furloughs to all state employees through June 1.	Hiring freeze but DDS exempt.	
Delaware	Considering furloughs but DDS likely exempt.	Hiring freeze but DDS exempt.	
District of Columbia	No furlough.	No hiring freeze.	
Florida	No furlough.	No hiring freeze.	
Georgia	Furlough but DDS exempt.	Hiring freeze but DDS exempt.	
Hawaii	Considering furloughs but DDS likely exempt.	Hiring freeze but DDS exempt.	
Idaho	Furloughs but DDS exempt.	Hiring freeze but DDS exempt.	
Illinois	No furlough.	No hiring freeze.	

Table E-1: Status of Furlough/Hiring Freeze by DDS

DDS	Furlough Status	Hiring Freeze Status	Remarks
Indiana	No furlough.	Hiring freeze for DDS.	Several positions "deactivated," including 30 disability examiners. These positions are temporarily eliminated and would require "reactivation" to be filled again.
Iowa	No furlough.	Hiring freeze but DDS exempt.	
Kansas	No furlough.	Hiring freeze but DDS exempt.	"Soft" freeze—hiring is restricted but occurs as warranted. DDS hired 75 percent of positions.
Kentucky	No furlough.	Hiring freeze but DDS exempt.	
Louisiana	Considering furloughs, DDS status not decided.	Hiring freeze but DDS exempt.	DDS hiring freeze but given a limited number of hires.
Maine	No furlough.	Hiring freeze for DDS.	
Maryland	Furloughs in place.	Hiring freeze but DDS exempt.	Furlough between 2 and 3 days depending on salary.
Massachusetts	Furloughs in place.	Considering a hiring freeze and DDS not likely exempt.	Furloughing 3 days for DDS managers. Most are going to work the days and be compensated after retirement. They can also work without pay. Hiring cap but DDS is in the process of getting the cap lifted for DDS disability examiner positions.
Michigan	No furlough.	No hiring freeze.	Furlough may be possible in 2010.
Minnesota	No furlough.	No hiring freeze.	
Mississippi	No furlough.	No hiring freeze.	
Missouri	No furlough.	Considering hiring freeze but DDS likely exempt.	
Montana	No furlough.	No hiring freeze.	
Nebraska	No furlough.	No hiring freeze.	

Table E-1: Status of Furlough/Hiring Freeze by DDS

DDS	Furlough Status	Hiring Freeze Status	Remarks
Nevada	Considering furloughs but DDS likely exempt.	Hiring freeze but DDS exempt.	
New Hampshire	No furlough.	Hiring freeze but DDS likely exempt.	
New Jersey	Considering furloughs, DDS status not decided.	Hiring freeze for DDS.	
New Mexico	No furlough.	Hiring freeze but DDS exempt.	
New York	No furlough.	Hiring freeze but DDS exempt.	
North Carolina	No furlough.	Hiring freeze but DDS exempt.	
North Dakota	No furlough.	No hiring freeze.	
Ohio	Considering furloughs, DDS not likely exempt.	Hiring freeze but DDS exempt.	DDS says it is under a hiring freeze, but it has received approvals to hire.
Oklahoma	Considering furloughs but DDS likely exempt	Considering hiring freeze but DDS likely exempt	
Oregon	Furlough in place.	Hiring freeze but DDS exempt.	Furlough for management staff from 1 to 4 days depending on salary range. Furloughs expected for represented staff but the number of days has not been finalized. Governor is proposing 26 furlough days.
Pennsylvania	Considering furloughs but DDS likely exempt.	Hiring freeze but DDS exempt.	
Puerto Rico	No furlough.	Hiring freeze but DDS likely exempt.	Layoffs planned but DDS likely exempt.
Rhode Island	No furlough.	No hiring freeze.	
South Carolina	Considering furloughs but DDS likely exempt.	Considering hiring freeze but DDS likely exempt.	
South Dakota	No furlough.	Hiring freeze but DDS exempt.	
Tennessee	Considering furloughs but DDS likely exempt.	Hiring freeze but DDS exempt.	
Texas	No furlough.	No hiring freeze.	
Utah	No furlough.	Hiring freeze but DDS exempt.	

Table E-1: Status of Furlough/Hiring Freeze by DDS

DDS	Furlough Status	Hiring Freeze Status	Remarks
Vermont	Considering furloughs, DDS not likely exempt.	No hiring freeze.	
Virginia	No furlough.	No hiring freeze.	
Washington	No furlough.	Hiring freeze for DDS.	
West Virginia	No furlough.	No hiring freeze.	
Wisconsin	No furlough.	Hiring freeze for DDS.	
Wyoming	No furlough.	No hiring freeze.	

Methodology of Furlough Impact

To calculate the amount of benefits that would be delayed from flowing into the economy on a rolling monthly basis as of February 2009, we used the methodology shown in the tables below. California was furloughing 2 days per month (Table F-1), but as of February 17, 2009, California had a tentative agreement with its union to reduce the furloughs from 2 days to 1 day per month (Table F-2).

Table F-1: Effects of California's 2-Day Furlough on Claimants and the Economy							
	DI Only		SSI Only		Both DI and SSI		TOTAL
	Initial	Recon	Initial	Recon	Initial	Recon	
Dispositions Per Month ¹	5,728	1,429	8,180	1,602	5,278	1,537	23,754
Allowance Rate September 29, 2008 through February 13, 2009 ²	45.3%	14.7%	39.5%	12.3%	26.2%	9.6%	
Number of Cases Not Worked Per Month Because of Furloughs ³	573	143	818	160	528	154	2,375
Monthly Allowances Delayed Because of Furloughs ⁴	259	21	323	20	138	15	776
Amount of Monthly Benefits Delayed Because of Furloughs ⁵	\$254,600	\$20,606	\$210,106	\$12,810	\$135,694	\$14,482	\$648,297

DI – Disability Insurance
 SSI - Supplemental Security Income
 Recon - Reconsideration

¹ SSA, *DDS Performance Management Report*, Claims Dispositions Report. Dispositions from September 29, 2008 through February 13, 2009 (20 weeks) for initial and reconsideration (recon) cases divided by 20 equals dispositions per week. Assuming a month has 4 weeks, this amount multiplied by 4 equal dispositions per month.

² SSA, *DDS Performance Management Report*, Claims Allowance Rates.

³ With 2 furlough days per month, there would be about a 10-percent reduction in work.

⁴ Assuming the allowance rates continue at the same level as from September 29, 2008 through February 13, 2009.

⁵ The average monthly DI benefit in California is \$981.20 (SSA, *Annual Statistical Supplement*, 2007, issued in April 2008). In December 2007, 880,382 blind or disabled recipients in California received about \$572,476,000—about \$650.26, on average (SSA, *SSI Recipients by State and County*, 2007, issued May 2008). For this chart, we used the average DI benefit amount for beneficiaries who received both Title II and XVI benefits. These average benefit payments multiplied by the number of allowances delayed because of furloughs equals the monthly benefits delayed because of furloughs in California.

Table F-2: Effects of California's 1 Day Furlough on Claimants and the Economy							
	DI Only		SSI Only		Both DI and SSI		TOTAL
	Initial	Recon	Initial	Recon	Initial	Recon	
Dispositions Per Month ⁶	5,728	1,429	8,180	1,602	5,278	1,537	23,754
Allowance Rate September 29, 2008 through February 13, 2009 ⁷	45.3%	14.7%	39.5%	12.3%	26.2%	9.6%	
Number of Cases Not Worked Per Month Because of Furloughs ⁸	286	71	409	80	264	77	1,188
Monthly Allowances Delayed Because of Furloughs ⁹	130	11	162	10	69	7	388
Amount of Monthly Benefits Delayed Because of Furloughs ¹⁰	\$127,300	\$10,303	\$105,053	\$6,405	\$67,847	\$7,241	\$324,148

⁶ SSA, *DDS Performance Management Report*, Claims Dispositions Report. Dispositions from September 29, 2008 through February 13, 2009 (20 weeks) for initial and reconsideration (recon) cases divided by 20 equals dispositions per week. Assuming a month has 4 weeks, this amount multiplied by 4 equals dispositions per month.

⁷ SSA, *DDS Performance Management Report*, Claims Allowance Rates.

⁸ With 1 furlough day per month, there would be about a 5-percent reduction in work.

⁹ Assuming the allowance rates continue at the same level as from September 29, 2008 through February 13, 2009.

¹⁰ The average monthly DI benefit in California is \$981.20 (SSA, *Annual Statistical Supplement*, 2007, issued in April 2008). In December 2007, 880,382 blind or disabled recipients in California received about \$572,476,000—about \$650.26, on average (SSA, *SSI Recipients by State and County*, 2007, issued May 2008). For this chart, we used the average DI benefit amount for beneficiaries who received both Title II and XVI benefits. These average benefit payments multiplied by the number of allowances delayed because of furloughs equals the monthly benefits delayed because of furloughs in California.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Judith Oliveira, Director, Boston Audit Division

Phillip Hanvy, Acting Audit Manager

Acknowledgments

In addition to those named above:

Katie Greenwood, Auditor

For additional copies of this report, please visit our web site at www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-01-09-29137.

DISTRIBUTION SCHEDULE

Commissioner of Social Security

Office of Management and Budget, Income Maintenance Branch

Chairman and Ranking Member, Committee on Ways and Means

Chief of Staff, Committee on Ways and Means

Chairman and Ranking Minority Member, Subcommittee on Social Security

Majority and Minority Staff Director, Subcommittee on Social Security

Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives

Chairman and Ranking Minority Member, Committee on Oversight and Government Reform

Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Committee on Finance

Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy

Chairman and Ranking Minority Member, Senate Special Committee on Aging
Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.