

# Report Summary

Social Security Administration Office of the Inspector General

March 2009



## Objective

To assess the impact of State employee furloughs on the Social Security Administration's (SSA) disability programs.

## Background

When an individual applies for disability benefits, SSA generally forwards the claim to the disability determination services (DDS) in the State or other responsible jurisdiction in accordance with Federal regulations for a disability determination. DDSs are in each of the 50 States plus the District of Columbia and Puerto Rico.

To deal with budget deficits, some States have instituted, or are considering, furloughs and/or hiring freezes for State employees—including staff at the DDS, which are 100-percent funded by SSA.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-01-09-29137.pdf>

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

### Our Findings

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, there will be a negative impact on the flow of money in the U.S. economy.

As of March 3, 2009, of the 52 DDSs,

- 5 were furloughing—California, Connecticut, Maryland, Massachusetts and Oregon;
- 3 were considering furloughs; and
- 44 were not furloughing or the DDS was exempt.

Additionally, of the 52 DDSs,

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

We estimate, because of furloughs, the California DDS will process about 2,375 fewer claims per month—resulting in about 776 fewer allowances and \$648,000 in delayed benefits to new beneficiaries.

SSA has been proactive in addressing the impact of furloughs. The Commissioner and Regional Commissioners of Social Security have urged States to exempt DDSs from furloughs—emphasizing that SSA pays for 100 percent of the costs to process SSA disability workloads.

### 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.

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.