

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

The Social Security Administration is reengineering the disability process, which has created extensive changes in the disability program. Casework has become more complex and has broadened adjudication to include Social Security Rulings and court cases. The Agency will function closer to the appellate levels, which will involve an expanded role in documenting and assessing the credibility of claimants' symptoms and functional status. Additionally, there is greater interaction with claimants throughout the appeals process and renewed emphasis in "Fraud" Discovery. Congress has provided funding for increased reviews of disability beneficiaries' claims which will result in a significant increase in the number of claims the agency will be expected to process over the next several years. These cases are more detailed, require more time and development and, if ceased, may require face-to-face hearings and travel.

The development of the Disability Program and its growth into other areas of Disability are reflected in the monetary requests accompanying this commentary as follows:

Requests for Fiscal Year 1999-2000	\$17,929,706
Requests for Fiscal Year 2000-2001	\$18,222,366

Included in FY99-00 are changes in the amount of \$2,740,899 over the prior biennium. These changes reflect mainly the increase in the number of employees needed to run the expanded portions of the Disability Program such as the Continuing Disability Reviews and subsequent Hearings and also to comply with legislation involving childhood disability claims. The agency is requesting a total of 43 additional positions, all of them to be federally funded. The Agency cannot go in the open market to hire Disability Adjudicators, as there is no such job anywhere else. This necessitates the Agency to train applicants from ground zero, a training which lasts a total of 18 months before the Trainee is fully productive. This difficult and lengthy process requires the agency to always keep an inventory of trainees on hand, to deal with attrition and workload fluctuations.

Included in FY00-01 are changes in the amount of \$2,818,826 for the same reasons as above. The Agency is also requesting Special Language to carry forward any balance in Capital Outlay to the second year of the biennium.

AGENCY Disability Determination for Social Security	DIRECTOR Gover Evans 	AGENCY PROGRAM COMMENTARY BR21	PAGE 193
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DISABILITY DETERMINATION FOR SOCIAL SECURITY ADMINISTRATION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	Total Equity		
\$ (161,354)	\$ 0	\$ 0	\$ (161,354)	\$ 0	\$ 0	\$ 0	\$ (161,354)		

Revenues				Expenditures				Other Sources (Uses)		
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Sources (Uses)
\$ 0	\$ 13,471,700	\$ 0	\$ 68,384	\$ 13,540,084	\$ 7,106,012	\$ 0	\$ 181,568	\$ 6,334,394	\$ 13,621,974	\$ 0

Findings	Recommendations
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None

None

Audited by Miller, England and Company
Certified Public Accountants
SA0931197

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 311 - DISABILITY DETERMIN

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>43</u>	<u>104</u>	<u>147</u>	<u>72%</u>
BLACK EMPLOYEES	<u>7</u>	<u>49</u>	<u>56</u>	<u>27%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>1</u>	<u>1</u>	<u>0%</u>
TOTAL EMPLOYED AS OF <u>08/08/98</u> DATE			<u>57</u>	<u>28%</u>
			<u>TOTAL MINORITIES</u>	
			<u>204</u>	<u>100%</u>
			<u>TOTAL EMPLOYEES</u>	



 AGENCY DIRECTOR

* PERCENTAGE TOTALS MAY NOT ADD DUE TO ROUNDING

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Disability Determination for Social Security Administration is responsible for determining the eligibility of Arkansans for disability and other payments in accordance with federal Social Security laws, regulations and instructions. The Disability Insurance Program deals with two main groups of claimants, Title II and Title XVI (Supplemental Security Income). Title II claimants are those who have contributed FICA taxes on wages for five of the past ten years prior to the date of alleged disability. Title XVI claimants are those who have established the fact that they have low income and resources and are alleging disability. To give some indication of the scope of the Social Security Administration Disability Program in Arkansas, statistics reveal that there are 167,703 disabled workers as well as spouses and children in current-payment status: 95,690 under Title II and 72,013 under Title XVI drawing total benefits in the amount of \$77,475,000 per month.

Base Level includes a cost of living increase of 2.8% each year over the FY99 salary levels and related Personal Services Matching costs.

Change Level requests include 66 positions with salary and personal service matching totaling \$1,988,899 in FY00 and \$2,036,826 in FY01. A breakdown of these positions follows:

- ◆ 43 new positions to create two additional Adjudication Units (10 positions each), one additional Hearing Unit (12 positions), and 11 operational support positions,
- ◆ restoration of 20 positions currently authorized but not budgeted, and
- ◆ continuation of 3 Miscellaneous Federal Grant positions received during FY99.

Career Ladder Incentive Program requests are included at a cost of \$30,089 in FY00 and \$29,280 in FY01. Change Level requests for Maintenance & General Operations for the biennium include the following:

- ◆ an increase of \$317,000 each year in Operating Expenses is needed due to increased workload which requires more space and travel for claimants,
- ◆ an increase of \$5,000 each year in Conference Fees and Travel to provide education and training for the Adjudication and Hearing Units,

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Disability Determination for Social Security Administration Code: 311	Name: Disability Determination Code: 104	Name: Disability Determination Code: FSD	BR20	196

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Continued Change Level requests for Maintenance & General Operations include:

- ◆ an increase of \$340,000 for FY00 and \$370,000 for FY01 in Professional Fees and Services due to the increase in medical fees paid to doctors and clinics,
- ◆ an increase of \$75,000 each year in Capital Outlay to purchase data processing software, office machines, furniture, and
- ◆ an increase of \$15,000 each year in Overtime to meet anticipated demands.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is dependent upon available federal funding. The Career Ladder Incentive Program (CLIP) requests reflected in agency budgets are intended to provide appropriate job classifications which may be utilized to promote classified employees who complete competency-based criteria during the biennium. The Executive Recommendation may reflect an adjustment in the requested CLIP levels for certain positions. These changes are to indicate the maximum job classification to which an employee would be expected to progress within the new biennium, based on the experience and other competency-based criteria required under the Program.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Disability Determination for Social Security Administration Code: 311	Name: Disability Determination Code: 104	Name: Disability Determination Code: FSD	BR20	197

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							99-00	00-01	99-00	00-01
ULAR SALARIES	5,741,310	6,321,476	6,905,042	6,516,406	1,506,624	8,023,030	6,698,863	1,547,396	8,246,259	8,016,527	8,240,972		
MBER OF POSITIONS	230	211	241	208	66	274	208	66	274	274	274		
RA HELP	73,831	140,000	140,000	140,000	0	140,000	140,000	0	140,000	140,000	140,000		
MBER OF POSITIONS	11	20	20	20	0	20	20	0	20	20	20		
SONAL SERV MATCHING	1,580,176	1,810,801	1,974,326	1,852,881	482,275	2,335,156	1,885,157	489,430	2,374,587	2,335,264	2,374,921		
RTIME	97,705	110,000	110,000	110,000	15,000	125,000	110,000	15,000	125,000	125,000	125,000		
RATING EXPENSES	1,777,739	1,467,195	1,517,192	1,467,195	317,000	1,784,195	1,467,195	317,000	1,784,195	1,784,195	1,784,195		
F FEES & TRAVEL	24,806	62,325	12,325	62,325	5,000	67,325	62,325	5,000	67,325	67,325	67,325		
F FEES & SERVICES	5,140,694	5,040,000	5,040,000	5,040,000	340,000	5,380,000	5,040,000	370,000	5,410,000	5,380,000	5,410,000		
ITAL OUTLAY	132,173	0	0	0	75,000	75,000	0	75,000	75,000	75,000	75,000		
IL	14,568,434	14,951,797	15,698,885	15,188,807	2,740,899	17,929,706	15,403,540	2,818,826	18,222,366	17,923,311	18,217,413		
PROPOSED FUNDING SOURCES			*****										
BALANCES			*****										
RAI REVENUES			*****										
IAI REVENUES			*****										
RAI FUNDS	14,568,434	14,951,797	*****	15,188,807	2,710,810	17,899,617	15,403,540	2,789,546	18,193,086	17,903,167	18,196,732		
E CENTRAL SERVICES FUND			*****										
REVENUE RECEIPTS			*****										
I FUNDS			*****										
R			*****										
IL FUNDING	14,568,434	14,951,797	*****	15,188,807	2,710,810	17,899,617	15,403,540	2,789,546	18,193,086	17,903,167	18,196,732		
SS APPRO/ (FUNDING)			*****		30,089	30,089		29,280	29,280	20,144	20,681		
IL	14,568,434	14,951,797	*****	15,188,807	2,740,899	17,929,706	15,403,540	2,818,826	18,222,366	17,923,311	18,217,413		

009 OTHER BOARDS AND COMMISSIONS
 311 DISABILITY DETERMINATION
 10 104 DISABILITY DETERMINATION
) FSD FED DIS DETERMINSTION-(311)

Budgeted exceeds Authorized in Conference
 Fees & Travel due to a Budget Classification
 Transfer.

APPROPRIATION SUMMARY
 BR 215

ANS B U I L T S E M
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1999 - 01 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S							
					ACTUAL 97-98	BUDGETED 98-99	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST			1999-00	2000-01	1999-00	2000-01				
100		FSD	311 104	B	14,568,434 230	14,839,481 208	15,188,807 208		15,403,540 208		15,211,115 208	15,426,445 208						
101		FSD	311 104	C04			1,000,905 12		1,037,401 12		1,000,905 12	1,037,401 12						
	<p>The Agency requests a change level increase of \$712,000.00 in Operating Expenses, Conference Fees and Travel, Professional Fees and Services, and Capital Outlay for FY00 and \$742,000.00 for FY01. the bulk of these increases consists mainly of additional building rent cost and additional medical fees paid to clinics and medical consultants. Included is the cost of activating the Fraud Unit, which is now funded by SSA. The Agency requests an increase of \$15,000.00 in Overtime. Overtime is often requested by the funding source and this increase will allow the Agency to meet its commitments without delays. The Agency is also requesting 12 positions be restored and placed under the CLIP umbrella.</p>																	
102		FSD	311 104	C03			1,335,644 43		1,369,106 43		1,335,644 43	1,369,106 43						
	<p>The Agency requests 43 positions above the Cap of 211 to create two additional Adjudication units (10 positions each = 20), one additional Hearing unit (12 positions), and 11 additional positions for operational support.</p>																	

DEPT 009 OTHER BOARDS AND COMMISSIONS
AGY 311 DISABILITY DETERMINATION
APPRO 104 DISABILITY DETERMINATION
FUND FSD FED DIS DETERMINATION-(311)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19

PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	1999 - 01 BIENNIIUM REQUESTS				R E C O M M E N D A T I O N S										
				-----EXPENDITURES-----		-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----						
				---ACTUAL---	---BUDGETED---	-----REQUEST-----	-----REQUEST-----	1999-00	2000-01	1999-00	2000-01							
			97-98	98-99														
	FSD	311 104	C02			200,980			205,879			202,366	207,301					
						8			8			8	8					
<p>The Agency requests 8 positions be added to the Cap of 211 to provide for the proper classification of the individuals. Three of the positions are being requested under the CLIP Program.</p>																		
	FSD	311 104	C01			112,316		148,281	152,160			148,281	152,160					
						3		3	3			3	3					
<p>The Agency requests these 3 positions, received under a miscellaneous federal grant to be added to the Cap. These positions are filled and were granted for specific purpose which is still active and is expected to continue.</p>																		
	FSD	311 104	C08			25,000			25,000			25,000	25,000					
						0			0									
<p>The Agency requests \$25,000.00 for the purchase of EDP software. The present software was provided by SSA but changes will be needed to customize it to the Arkansas Operation.</p>																		

009 OTHER BOARDS AND COMMISSIONS
 311 DISABILITY DETERMINATION
 104 DISABILITY DETERMINATION

FSD FED DIS DETERMINSTION-(311)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
ANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1999 - 01 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S							
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
06		FSD	311 104	C09			30,089			29,280								
							0			0								

The Agency requests \$30,089.00 for FY00 and \$29,280.00 for FY01 to cover the cost of possible promotions under the Career Ladder Incentive Program.

EPT 009 OTHER BOARDS AND COMMISSIONS
 GY 311 DISABILITY DETERMINATION
 PPRO 104 DISABILITY DETERMINATION
 UND FSD FED DIS DETERMINSTION-(311)

RANK BY APPROPRIATION

BR 264