

DISABILITY DETERMINATION

Enabling Laws

Act 141 of 2014
A.C.A. §20-76-301 et seq.
Titles II and XVI of the Social Security Act

History and Organization

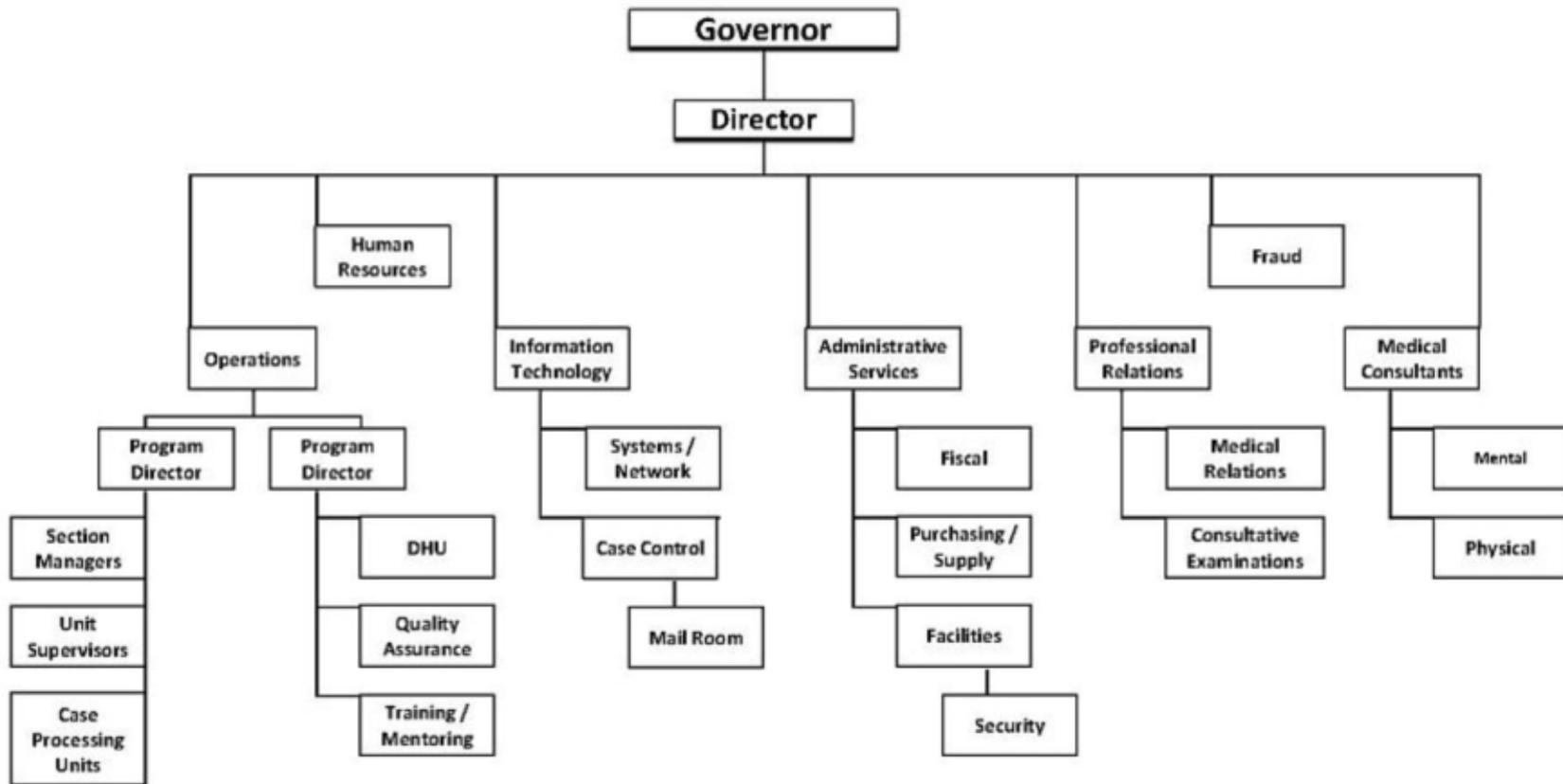
The State Department for Social Security Administration Disability Determination was created by Act 14 of the Second Extraordinary Session of the 1961 Arkansas General Assembly and codified in State law under A.C.A. §20-76-301 et seq. Act 177 of the 1965 Arkansas General Assembly changed the agency title to Disability Determination for Social Security Administration.

The Agency is a department within the executive branch, and accordingly is under the direction of the Chief Executive of the State of Arkansas. The Social Security Administration provides funds to the State of Arkansas to carry out the disability determination and hearing functions for the federal government.

The basic statutory authorities for the Social Security Disability Program are contained in Titles II (Section 221) and XVI (Section 1633) of the Social Security Act. These sections of the Social Security Act were amended by P.L. 95-265 on June 9, 1980, to provide for administration of this state agency by federal regulations rather than by agreement. On January 1, 1984, P.L. 97-445 gave all disability beneficiaries the opportunity for a face-to-face evidentiary hearing before benefits ceased.

The Disability Insurance Program includes two groups of claimants: Title II and Title XVI. Title II claimants are those who have contributed F.I.C.A. taxes on wages for five of the past ten years prior to the date of alleged disability. Title XVI (Supplemental Security Income) claimants are those who have low income and resources, and who are alleging disability. Title II Funds come from the Social Security Trust Fund. Title XVI Funds come from federal revenues.

As of October 2010, the Arkansas Disability Determination for Social Security Administration has been adjudicating disability claims for other states in the Union. The Social Security Administration chose Arkansas to work these claims due to proven efficiency and accuracy in disability claims adjudication.



Agency Commentary

The mission of the Arkansas Disability Determination for Social Security Administration (DDSSA) is to provide timely and accurate determinations of whether or not applicants for Social Security Disability Benefits are disabled. The mission entails procuring medical records from treating doctors and hospitals and providing medical examinations when adequate existing medical records are not available.

Requests for fiscal years 2016 and 2017 include an increase in appropriation above Base Level to restore 13 positions which were unbudgeted in FY15 due to a federal hiring freeze. The hiring freeze that the agency had been under for four years has since been lifted. DDSSA will need these positions going forward to keep adequate staffing levels. The agency also requests the reclassification of 44 positions to better align

with current job duties. Additional appropriation is also needed for Professional Fees. In the last five years, the DDS has had an increase of disability receipts of over 15% with this trend expected to continue going forward. With each new application, additional medical records and/or examinations are required. These are mission critical costs to the agency. The final appropriation request is in capital outlay for anticipated equipment expenses in both years of the biennium. Funding for appropriation for the Arkansas Disability Determination for Social Security Administration is 100% federal funds from the Social Security Administration.

In summary and in addition to Base Level, the agency is requesting the following:

- Restoration of 13 positions. These positions were unbudgeted in FY15 due to a prolonged federal hiring freeze.
- Reclassification of 44 positions to better align with current needs within the agency.
- Professional Fees of \$2,000,000 in FY16 and FY17. The agency has an increased caseload, which in turn requires additional medical evidence.
- Capital Outlay of \$100,000 in FY16 and FY17 for anticipated equipment expenses.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
STATE OF ARKANSAS DISABILITY DETERMINATION FOR SOCIAL SECURITY ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	107	183	290	71 %
Black Employees	19	84	103	25 %
Other Racial Minorities	6	7	13	4 %
Total Minorities			116	29 %
Total Employees			406	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
538	347	191	538	0	35.50 %	483	379	75	454	29	21.53 %	483	424	42	466	17	12.22 %

Analysis of Budget Request

Appropriation: 2QQ - DDSSA-Operations

Funding Sources: FSD - Disability Determination - Federal

Disability Determination for Social Security Administration (DDSSA) is the State Agency responsible for determining the eligibility of Arkansans for disability and other payments in accordance with federal Social Security laws, regulations and instructions. The Agency makes determinations for disability benefits under Titles II and XVI of the Social Security Act and investigates suspected cases of fraud or abuse. 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 (Supplemental Security Income) claimants are those who have established the fact that they have low income and resources and are alleging disability.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$51,753,338 in FY16 and \$51,772,231 in FY17.

The Change Level request is \$3,255,446 each year of the biennium. Funding for the increase appropriation is 100% federally funded. The Agency's request reflects the following:

- Regular Salaries in the amount of \$888,067 and Personal Services Matching in the amount of \$267,379 each year of the biennium due to 13 restored positions that were not budgeted in FY15 and 44 re-classed positions.
- Professional Fees in the amount of \$2,000,000 each year of the biennium to cover additional medical fees due to the agency's increased medical case-loads.
- Capital Outlay in the amount of \$100,000 each year of the biennium for anticipated equipment expenses.

The Executive Recommendations provides for the Agency Request.

Appropriation Summary

Appropriation: 2QQ - DDSSA-Operations

Funding Sources: FSD - Disability Determination - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	19,586,663	24,922,829	25,747,957	25,142,969	26,031,036	26,031,036	25,149,369	26,037,436	26,037,436
#Positions		417	466	483	466	479	479	466	479	479
Extra Help	5010001	236,566	390,000	390,000	390,000	390,000	390,000	390,000	390,000	390,000
#Extra Help		7	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	6,560,328	8,076,212	8,288,474	8,204,269	8,471,648	8,471,648	8,216,762	8,484,141	8,484,141
Overtime	5010006	640,861	860,000	860,000	860,000	860,000	860,000	860,000	860,000	860,000
Operating Expenses	5020002	3,014,588	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400
Conference & Travel Expenses	5050009	0	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Professional Fees	5060010	12,424,325	13,145,200	13,145,200	13,145,200	15,145,200	15,145,200	13,145,200	15,145,200	15,145,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Total		42,463,331	51,505,141	52,542,531	51,753,338	55,008,784	55,008,784	51,772,231	55,027,677	55,027,677
Funding Sources										
Federal Revenue	4000020	42,463,331	51,505,141		51,753,338	55,008,784	55,008,784	51,772,231	55,027,677	55,027,677
Total Funding		42,463,331	51,505,141		51,753,338	55,008,784	55,008,784	51,772,231	55,027,677	55,027,677
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		42,463,331	51,505,141		51,753,338	55,008,784	55,008,784	51,772,231	55,027,677	55,027,677

Change Level by Appropriation

Appropriation: 2QQ - DDSSA-Operations
Funding Sources: FSD - Disability Determination - Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	51,753,338	466	51,753,338	100.0	51,772,231	466	51,772,231	100.0
C01	Existing Program	3,119,794	12	54,873,132	106.0	3,119,794	12	54,892,025	106.0
C06	Restore Position/Approp	55,554	1	54,928,686	106.1	55,554	1	54,947,579	106.1
C10	Reclass	80,098	0	55,008,784	106.3	80,098	0	55,027,677	106.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	51,753,338	466	51,753,338	100.0	51,772,231	466	51,772,231	100.0
C01	Existing Program	3,119,794	12	54,873,132	106.0	3,119,794	12	54,892,025	106.0
C06	Restore Position/Approp	55,554	1	54,928,686	106.1	55,554	1	54,947,579	106.1
C10	Reclass	80,098	0	55,008,784	106.3	80,098	0	55,027,677	106.3

Justification

C01	Reflects \$781,645 increase in Regular Salaries and \$238,149 in Personal Services Matching to restore 12 positions; \$2,000,000 increase in Professional Fees to cover additional medical fees; \$100,000 increase in Capital Outlay for anticipated equipment expenses.
C06	Reflects \$41,159 increase in Regular Salaries and \$14,395 in Personal Services Matching to restore 1 position.
C10	Reflects \$65,263 increase in Regular Salaries and \$14,835 in Personal Services matching to reclass 44 positions.