



SOCIAL SECURITY
Office of the Commissioner

February 3, 2009

The Honorable Edward G. Rendell
Chair
National Governors Association
Hall of the States
444 N. Capitol St., Suite 267
Washington, D.C. 20001-1512

Dear Governor Rendell:

Each month, the Social Security Administration (SSA) provides over \$11 billion in Disability Insurance and Supplemental Security Income benefits to more than 12.1 million citizens across the nation. State Disability Determination Services (DDS) make the medical determinations for our disability claims, and we could not provide these vital benefits to some of the most vulnerable people in our society without the DDSs' work.

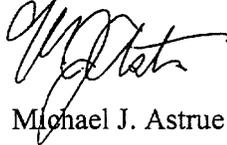
Accordingly, I am compelled to write to you to express my grave concern over the hiring restrictions and furloughs that some states are imposing on the DDSs. At SSA, we have endured many years of underfunding, so I can empathize with the difficult budget decisions the states are facing in this current economic climate. In fact, we are experiencing significant increases in disability claims applications due to the downturn in the economy and the considerable number of baby boomers who are reaching their most disability-prone years. Nationally, we expect that the disability claims workload in the state DDSs will grow by more than 12 percent in Fiscal Year (FY) 2009 and continue at an accelerated rate in FY 2010 and FY 2011, making us even more reliant on the timely work of the DDSs.

While we are sympathetic to the states' situations, they receive significant benefits from the operation of the DDSs. First, we fund 100 percent of DDS employees' salaries as well as overhead. We estimate that the states will receive \$2 billion nationwide in federal funds to cover their costs this FY. Not only do the states receive an influx of federal funds to cover their expenses, they also benefit from our adjudication of their citizens' claims. The faster we approve claims for benefits, the sooner many applicants move from state to federal support. Finally, salaries for DDS employees reduce unemployment levels in the states.

It is critical that the states recognize that the budget decisions they make now can have lasting effects on their disabled citizens and hiring restrictions affecting the DDSs may result in a loss of federal dollars. We are asking you, as Chair of the National Governors Association, to urge each governor to exempt the DDSs from hiring restrictions and furloughs.

Thank you for supporting the work of Social Security and our state DDS partners.

Respectfully,

A handwritten signature in black ink, appearing to read "M. Astrue", written in a cursive style.

Michael J. Astrue