

From: Pitts, Ted
To: Soura, Christian <ChristianSoura@gov.sc.gov>
Date: 10/7/2013 5:27:47 PM
Subject: FW: SCVRD Update on Federal Government Shutdown
Attachments: SSA Shutdown Contingency Plan 2014.pdf

FYI.

From: Hollis, Barbara [mailto:Bhollis@SCVRD.STATE.SC.US]
Sent: Monday, October 07, 2013 5:12 PM
To: Pitts, Ted
Subject: SCVRD Update on Federal Government Shutdown

Afternoon Ted. Since we talked, I've been in contact with SSA and I've attached a letter from SSA to OMB which includes specifics about DDS services during a lapse in funding. The next to the last paragraph indicates that SSA will reimburse us once funding is received, however, the individual states must determine their options to continue operations based on state rules/regulations. According to SSA, they currently have no contingency plan beyond what we as a state might be able to do. We have also been reaching out to the B&CB and Treasurer's office for guidance on options.

Here is where we stand right now. We have the SSA funding to allow Disability Determination staff to continue working through October 18th. After that date, while we have ample federal spending authority, the cash would not be available for this specific purpose. So, in absence of a quick resolution at the federal level or at least the approval of a more definitive stopgap measure than is currently available, we are looking at instituting an unpaid furlough for DDS staff beginning October 21 (notifying them seven days in advance) and lasting up to 10 working days if necessary. Unlike federal agencies with furloughed employees, it appears that we have no recourse for paying them. State laws would seem to preclude us from keeping DDS employees working with the promise of paying them when the funds become available or from paying furloughed workers retroactively. Should there still be no solution after that 10-day furlough period, we would likely have to implement a reduction in force.

For now, DDS staff continue those activities deemed "critical services" by SSA - adjudicating initial SSA disability claims and reconsiderations. However, I am concerned about decisions that might need to be made in the very near future if a resolution is not reached. Any guidance or assistance that you can provide would be appreciated. Thank you, Ted. Barbara

Barbara G. Hollis, Commissioner
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From: Pitts, Ted [mailto:TedPitts@gov.sc.gov]
Sent: Tuesday, October 01, 2013 4:31 PM
To: Hollis, Barbara
Subject: RE: Message from Social Security Administration Regarding Lapse in Federal Appropriations

Thanks.

From: Hollis, Barbara [mailto:Bhollis@SCVRD.STATE.SC.US]
Sent: Tuesday, October 01, 2013 2:40 PM
To: Pitts, Ted
Subject: FW: Message from Social Security Administration Regarding Lapse in Federal Appropriations

Hello Ted, Thanks for talking with me earlier. I've attached a letter from the Social Security Administration that I'm not sure has yet reached the Governor's office. I've also outlined below how the Federal Government shutdown is

affecting our agency staff and clients/claimants at this point. Please let me know if you have questions or if you want me to share this information with someone else on your staff. Thanks again and take care, Barbara

South Carolina Vocational Rehabilitation Department

**Impact of Federal Government Shutdown on Disability Determination Services
and Residual Effects on General VR Program**

Although the shutdown of certain federal government operations will not interrupt the payment of Social Security disability benefits to current recipients, it does not fund the processing of *newly filed claims* for disability benefits. This affects the Disability Determination Services (DDS) branch of the South Carolina Vocational Rehabilitation Department (SCVRD), which adjudicates initial disability claims and reconsiderations for the Social Security Administration (SSA). This unit is totally federally funded by SSA, with the Vocational Rehabilitation Department having state oversight. It includes 307 full-time and 63 temporary employees in Columbia, Greenville, and Charleston.

SSA, while interrupting funding for Disability Determination Services, is allowing states to continue adjudicating initial claims and reconsiderations if possible, with the understanding that the states will be paid retroactively upon passage of a new federal budget agreement. Each state DDS program will have to determine if it can maintain limited services. Under SCVRD's current contingency plan, DDS staff will be able to work through October 16 without interruption in pay. Should the federal shutdown continue beyond October 16, our agency would have to consider other contingency options, which could include furloughs for DDS staff. However, SCVRD will continue to pursue alternatives to avoid interruption of these services.

The shutdown does not affect the federal grant for basic vocational rehabilitation services, which help prepare and train people with disabilities for employment. The majority of SCVRD employees work in that program. However, there are residual effects for some VR clients and staff tied to separate federal outsource agreements.

There is no effect on Medicaid disability claims that DDS staff provides for the state Department of Health and Human Services or state disability claims for the Public Employee Benefit Authority.

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From: ||DCO
Sent: Thursday, September 26, 2013 12:42 PM
To: nikkihaley@gov.sc
Cc: Grochowski, Michael W.; Robert, Ann P.; Jarrett, Shirley DDS West Columbia S63
Subject: Message from Social Security Administration Regarding Lapse in Federal Appropriations

Please see attached letter from Social Security Administration Acting Commissioner Carolyn W. Colvin.