

**Testimony**  
**Senate Bill 2012 – Department of Human Services**  
**Senate Appropriations**  
**Senator Holmberg, Chairman**  
**January 18, 2011**

Chairman Holmberg, members of the Senate Appropriations Committee, I am Russell Cusack, Vocational Rehabilitation Director with the Department of Human Services. I am here today to provide an overview of programs and services that make up the budget request for the Vocational Rehabilitation Division for the Department of Human Services.

**Programs**

The Division of Vocational Rehabilitation contains two units: Vocational Rehabilitation and Disability Determination Services.

The Vocational Rehabilitation Unit (VR) is made up of 11 FTEs responsible for the administration of Titles I, VI and VII of the Rehabilitation Act as amended. As such, the staff is responsible for the needs assessment, staff training, state plan development and outcome monitoring, development of policy, quality assurance, client advocacy through the Client Assistance Program, oversight of expenditure of federal VR funds, and compliance with federal rules. To carry out these responsibilities, the VR policy division staff interact regularly with the Vocational Rehabilitation staff residing in the human service centers, and with community businesses, schools and universities, Job Service, the State Rehabilitation Council, the State Independent Living Council, centers for independent living, federal oversight agencies, and other private and public entities involved in rehabilitation service. The services are funded through federal funds received through the U.S. Department of Education and Rehabilitation Services Administration, along with the required

general fund match. The federal portion of the funding is over 78.7%; the state match comprises just under 21.3% of the budget.

The Disability Determination Unit includes 24 FTEs responsible for individual eligibility determination for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) statewide. The staff review claims from the local Social Security offices, gather supporting data, and determine whether an individual meets the criteria to receive federal benefits. The funding for this program is 100% federal funds.

### **Caseload / Customer Base**

Vocational Rehabilitation – Federal Fiscal Year 2010

- 6,992 individuals received employment services through VR.
- 10,662 individuals received independent living services.
- 1,074 individuals were served through the Older Blind Program.
- 170 is the average caseload size for a VR counselor.

Disability Determination Unit

- 5,898 eligibility determinations were made for SSDI/SSI benefits.

### **Program Trends / Major Program Changes**

Vocational Rehabilitation continues to see a high percentage of youth apply and receive services. Thirty five (35) percent of the DVR caseload are youth that experience disabilities. The percentage of youth served remained consistent during the past five years. The division has actively outreached to school districts, community providers, the Department of Public Instruction, and Job Service to develop outreach efforts to teach these youth about the employment possibilities in North Dakota. The emphasis of this outreach has been tailored to connecting youth with the support services they need to be successful in job training and to realize

that many occupations are available with two years or less vocational training. The division proposes to continue this activity as well as support the efforts of the human service center transition coordinators to enhance the independence of youth.

### **Overview of Budget Changes**

Description	2009 - 2011 Budget	2011 - 2013 Budget	Increase/ Decrease
Salary and Wages	4,244,123	4,672,532	428,409
Operating	2,065,906	2,049,230	(16,676)
Grants	21,396,891	20,558,631	(838,260)
Total	27,706,920	27,280,393	(426,527)
General Fund	4,844,905	4,859,126	14,221
Federal Funds	22,770,553	22,326,268	(444,285)
Other Funds	91,462	94,999	3,537
Total	27,706,920	27,280,393	(426,527)
FTE	35.00	35.00	0.00

### **Budget Changes from Current Budget to Executive Budget:**

The Salary and Wages line item increased by \$428,409 and can be attributed to the following:

- \$247,351 in total funds of which \$17,614 is general fund needed to fund the Governor's salary package for state employees.
- \$57,114 in total funds of which \$13,377 is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- \$32,741 to provide for the annual and sick leave lump sum payouts for three FTE expected to retire of which \$27,120 is federal funds and \$5,621 general fund.
- \$38,880 which is all federal funds to provide for salary increase for four FTEs that underwent reclassifications.

- The remaining \$52,323 includes a combination of increases and decreases needed to sustain the salary of 35 FTE in this area of the budget.

The Operating line item decreased by \$16,676 (.8% ) and is a combination of the increases expected next biennium which is offset by decreases as follows:

- Increase of \$39,976 for medical consultant contracts for DDS in order to complete the number of disability claims required by the federal Social Security Administration.
- Increase of \$15,185 for professional development activities for non-state and state employees to attend regional and national meetings.
- Increase of \$50,191 in rent at Prairie Hills Plaza.
- Increase of \$56,797 in travel to required federal meetings.
- Decrease of \$32,164 in the purchase of assistive technology devices for client use.
- Decrease of \$8,309 in office supplies, office technology service and postage.
- Decrease of \$31,264 in other one-time equipment purchases.
- Decrease of \$95,019 in operating fees and services reflecting the removal of one-time ARRA contracts.
- Decrease of \$12,069 lease cost for copiers.

The Grants line item decreased by \$838,260 (3.9%). This funding is used to support the efforts to increase awareness of Assistive Technology; to continue focus through Vocational Rehabilitation on outreach to youth; and, to support the efforts of the DDS to make timely eligibility determinations for North Dakotans with disabilities.

- Increase of \$187,522 to support the Interagency Program Assistive Technology (IPAT). All federal funds due to the availability of carryover federal funds.
- Increase of \$260,000 for contractual services that provide soft-skill training and vocational assessment activities to clients. This training serves to improve skills that include communication, problem-solving and time management.
- Increase of \$102,500 for youth transition activities that support summer youth employment.
- Increase of \$151,944 for client service related to increased cost for academic and vocational technical school training.
- Increase of \$257,100 for DDS payments due to the increase in the volume of claims. This is all federal funds.
- Increase of \$80,000 for extended service based on the increase in number of clients that require this current method of providing employment supports. These clients are the most significantly disabled experiencing a mental illness, traumatic brain injuries, and intellectual disabilities.
- Increase of \$110,000 for supported employment because of increased usage of providers. This is all federal funds.
- Increase of \$5,000 to support the blind vendor program.
- Decrease of \$18,501 to purchase equipment for the administration of the older blind program.
- Decrease of \$1,976,995 in one time ARRA funding.

This concludes my testimony on the 2011 – 2013 budget request for the Vocational Rehabilitation area of the Department. I would be happy to answer any questions.