

Testimony
Engrossed Senate Bill 2012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
March 5, 2015

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

Programs

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

The Vocational Rehabilitation (VR) unit is responsible for the administration of Titles IV, VI and VII of the Rehabilitation Act. VR Central Office staff is responsible for policy development and implementation, oversight of expenditure of federal VR funds, quality assurance including compliance with federal rules and monitoring outcomes, state plan development, staff training, and client advocacy through the Client Assistance Program. To carry out these responsibilities, VR Central Office policy staff interacts regularly with VR staff located at the human service centers, and with community businesses, schools and universities, Job Service North Dakota, the State Rehabilitation Council, the State Independent Living Council, the Centers for Independent Living, federal oversight agencies, and other private and public entities involved in rehabilitation service. Services are funded through federal funds received through the U.S. Department of Education and Rehabilitation Services Administration (RSA), along with the required state general fund match.

The federal portion of the funding is nearly 79%, and the state general fund match comprises approximately 21% of the budget.

The Disability Determination Services (DDS) unit is responsible for individual eligibility determination for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). 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 DDS unit is 100% federally funded.

Caseload/ Customer Base

Vocational Rehabilitation – Federal Fiscal Year (FFY) 2014

- 3,259 individuals with disabilities received employment services through VR. VR assists North Dakotans with disabilities to enter or re-enter the work force through a wide scope of individualized services. VR counselors assist individuals with disabilities to assess their skills and abilities, identify a vocational goal, develop an individualized plan to achieve employment, and provide services that result in meaningful employment. VR invests heavily in services for young adults as they prepare to transition from high school to work. Forty percent of individuals served are under 21 years of age. VR uses Return on Investment (ROI) to show how clients benefit economically from VR services as well as how their increased income positively impacts the economy. For every dollar spent by VR, clients earn \$7.03. For every dollar spent by VR, the clients pay back \$1.41 in taxes. Services include:
 - **Professional Vocational Rehabilitation Counseling and Guidance** - including comprehensive assessments of

rehabilitation needs, planning, and implementing strategies to overcome barriers and helping adjust to and live with a disability.

- **Employment** - identification of an employment goal that is consistent with each individual's strengths, resources, abilities, capabilities, priorities, concerns, interests, and informed choice.
 - **Accommodations** - adaptive aids, assistive technology, accessibility, and work site evaluations.
 - **Training** - tailored to meet individual rehabilitation needs which may include on-the-job training, internships, job mentoring, job coaching, and/or academic training.
 - **Job Placement** - develop resumes and interview strategies, job referral, placement, and follow-up services.
- 11,529 individuals received Independent Living (IL) services. These services are provided to individuals so they can live and work more independently in their homes and communities. Core IL services include information and referral, independent living skills training, peer mentoring, advocacy, and transition services for youth attending secondary education programs.
 - 788 individuals were served through the Older Blind Program. The Older Blind program helps individuals age 55 or older who have vision loss and/or impairments to live independently in their homes and communities. Vision Rehabilitation staff provide in-home services that include an assessment of individual's need for home modification and equipment to compensate for their low vision. Training is provided to individuals to gain competency in the use of low vision devices, safe cooking techniques, orientation and mobility training, and

counseling to assist individual's personal adjustment to their vision loss.

- 93% of clients reported satisfaction with the service they received from VR.

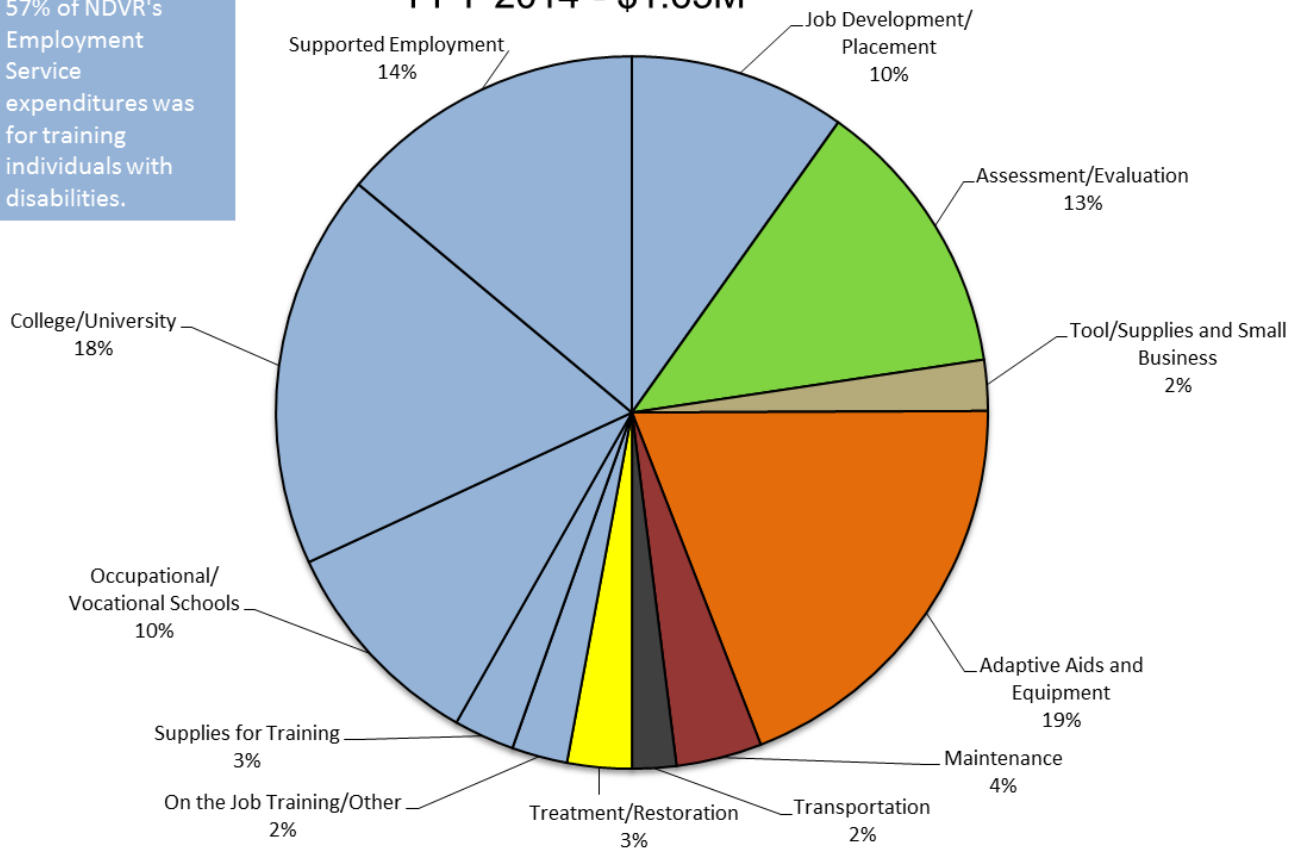
Disability Determination Services – Federal Fiscal Year (FFY) 2014

- 6,481 eligibility determinations were made for Social Security Disability Insurance/Supplemental Security Income benefits. 5,350 determinations were for North Dakota residents and 1,131 determinations were for residents of other states. North Dakota DDS is assisting other states with their workload at the request of the Social Security Administration's (SSA) Denver Regional Office. This program is 100% federally funded.

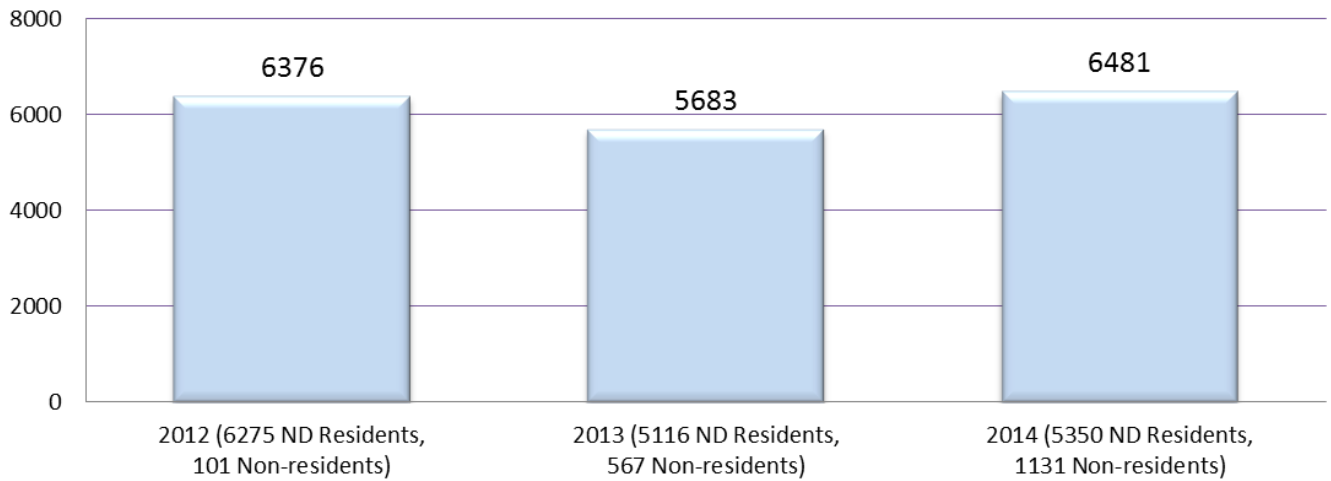
Program Trends/Changes:

ND Vocational Rehabilitation Employment Service Expenditures FFY 2014 - \$1.65M

57% of NDVR's
Employment
Service
expenditures was
for training
individuals with
disabilities.



Determinations Made by Disability Determination Services FFY 2012 - 2014



Timeliness of Determinations:

North Dakota DDS timeliness in making determinations of eligibility is monitored by staff from the Social Security Denver Regional office. Determinations for Social Security Disability Insurance are made within an average of 96.4 days and determinations for Supplemental Security Income are made within an average of 102.6 days.

Note: The DDS Program is 100% Federally Funded.

Overview of Budget Changes

	2013 - 2015	Increase/ (Decrease)	2015 - 2017 Executive Budget	Senate Changes	2015 - 2017 Budget to House
Description	Budget				
Salary and Wages	5,255,253	579,239	5,834,492	(96,972)	5,737,520
Operating	2,394,614	361,704	2,756,318	(6,335)	2,749,983
Grants	18,311,605	45,619	18,357,224	0	18,357,224
Total	25,961,472	986,562	26,948,034	(103,307)	26,844,727
General Fund	5,816,333	741,082	6,557,415	(23,117)	6,534,298
Federal Funds	20,038,139	180,749	20,218,888	(78,993)	20,139,895
Other Funds	107,000	64,731	171,731	(1,197)	170,534
Total	25,961,472	986,562	26,948,034	(103,307)	26,844,727
Full Time Equivalent (FTE)	32.5	0.0	32.5	0.0	32.5

Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item increased by \$579,239 and is mainly attributed to the following:

- \$439,835 in total funds, of which \$35,347 is general fund, needed for the Governor's compensation package.
- \$91,341 in total funds, of which \$8,411 is general fund, needed to continue the employee increases approved by the last Legislative Assembly.
- \$48,063 in total funds is a combination of increases and decreases needed to sustain the FTE within this Division.

The Operating line item increased by \$361,704 is mainly attributed to the following:

- Increase of \$180,331 in Operating Fees and Services, which is mainly comprised of an increase of \$180,783 for 35 additional Traumatic Brain Injury (TBI) slots for Extended Services and a provider inflationary increase of 4% for each year of the biennium.
- Increase of \$167,105 for Professional Development to provide stipends for counselors to complete a master's degree program. A

master's degree is required to meet the Qualified Rehabilitation Professional (QRP) standards.

- Increase of \$53,807 in Travel, which is mainly comprised of **\$45,194** for the State Rehabilitation Council which has 17 council members and the State Independent Living Council which has 16 council members. Both councils now have all positions filled, so travel costs have increased. **\$9,187** is for vendors in the Randolph Sheppard program to attend conferences to improve their businesses.
- Increase of \$45,698 in one-time Office Furnishings and Equipment to purchase open concept office furniture. The Fargo office will be relocating to other space within the Southeast Human Service Center which is not currently utilized as office space.
- Increase of \$26,812 in IT Communications to provide counselors with technology to facilitate communications with deaf clients.
- Decrease of \$51,500 in Fees-Professional Services based upon the new DDS rate schedule for medical consultants.
- Decrease of \$31,940 in Printing for outreach materials as more information is now available online.

The Grants line item increased by \$45,619 and is mainly attributed to the following:

- Increase of \$500,000 for the Centers for Independent Living to provide additional services to consumers.
- Increase of \$250,000 for DDS payments due to the increase in the volume of claims.
- Increase of \$65,000 in the Randolph Sheppard program due to increasing revenues in the program. This revenue, received from beverage machines located at rest stops throughout the state, is

designated to be distributed to the vendors of the two Randolph Sheppard snack bars for the enhancement of their businesses.

- Decrease of \$600,118 in client services due to the decrease in the amount allowed for post-secondary training.
- Decrease of \$163,832 for the contract with Interagency Program for Assistive Technology (IPAT) for the AT program. The AT project no longer has federal carry forward funds available; therefore, the budget was based only upon two years of federal grant awards.

The general fund request increased by \$741,082, with \$705,870 or 95% of the increase due to additional funds for the State Independent Living Council, additional Extended Services TBI slots and for provider inflationary increases. The remaining \$35,212 or 5% is related to other salary, operating and grant changes as described above.

The federal and other funds net increase of \$245,480 is a result of increases and decreases in salary, operating, and grants referenced above.

Senate Changes:

Decrease of \$96,972 in total funds, of which \$16,782 is general fund to decrease the Governor's compensation package to reflect a change in the state employee performance increase from 3% - 5% to 2% - 4%, remove market policy point equity increase, and to remove the 1% retirement contribution.

Decrease of \$6,335 which is all general fund to decrease the annual provider inflation from 4% to 3% each year of the biennium.

This concludes my testimony on the 2015-2017 budget request for the Vocational Rehabilitation Division of the Department. I would be happy to answer any questions.