

- GRF funding for FY 2004 is essentially flat compared to FY 2003 expenditures and funding for FY 2005 is a 2.24% increase above FY 2004 appropriations
- RSC expects increases in the number of job placements as well as improvements in hourly wage for its consumers over the FY 2004-2005 biennium

Rehabilitation Services Commission

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ROLE

The Rehabilitation Services Commission (RSC) provides vocational rehabilitation and other related services to eligible Ohioans with disabilities who seek employment. Since its inception in 1970, the Commission has rehabilitated more than 265,000 Ohioans with disabilities. The mission of RSC is to work in partnership with Ohioans with significant disabilities to assist them in achieving greater community participation through opportunities for employment and independence. Most of the partnerships are designed to maximize federal, state, and local resources to promote quality jobs, improve access to employment services, and improve consumer choice in selecting community-based rehabilitation services.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
1,336	\$257.6 million	\$270.2 million	\$24.8 million	\$24.3 million	Am. Sub. H.B. 95

*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

OVERVIEW

The total GRF funding for RSC is \$23,764,478 for FY 2004 (0.01% above FY 2003 expenditures) and \$24,296,832 for FY 2005 (2.24% above FY 2004 appropriations). For every state dollar appropriated for the Commission's vocational rehabilitation efforts, the federal government provides \$3.69 in matching funds. Total appropriations for federal vocational rehabilitation dollars are \$117,955,833 in FY 2004, a 9.03% increase over FY 2003 expenditures, and \$125,520,457 in FY 2005, a 6.41% increase over FY 2004 appropriations. In addition, for every Social Security Disability recipient that RSC successfully rehabilitates into substantial gainful activity, the Commission receives Social Security reimbursement funds. Other federal moneys are available for Independent Living programs at a 9:1 match.

BUDGET ISSUES

VOCATIONAL REHABILITATION

Case Services

Vocational rehabilitation (VR) is one of the core services provided by RSC. The final funding level will enable RSC to draw down the total amount of federal vocational rehabilitation dollars available to Ohio. Available state and federal funding will enable RSC to increase the number of competitive job placements for consumers with severe disabilities. Specifically, RSC expects job placements to increase to 6,970 in federal fiscal year (FFY) 2004, which is a 1.0% increase over the projected number of job placements in FFY 2003. The Commission anticipates placements to increase to 7,235 in FFY 2005, which is a 3.8% increase over projected job placements in FFY 2004.

The Commission expects improvements in the hourly wage, which is a measure of program quality. See table Performance Outcomes for the VR Case Services program below.

Performance Outcomes for the VR Case Services Program					
Performance Measure	FFY 2001	FFY 2002	FFY 2003 (estimated)	FFY 2004 (projected)	FFY 2005 (projected)
Number Placed	6,795	6,800	6,900	6,970	7,235
Avg. Hourly Wage	\$9.35	\$9.95	\$10.00	\$10.25	\$10.50
Avg. Hours per Week	33.2	34.0	34.0	34.0	34.0
One-Year Retention Rate*	80%	81%	82%	83%	84%

*Retention rate data comes from the Department of Job and Family Services with a two-year lag.

Despite the improvements in program quality, RSC expects the number of consumers waiting to be assisted by a VR counselor to increase from a waiting list of 5,500 during the third quarter of FFY 2003 to approximately 7,250 by the end of FFY 2004 and to approximately 7,500 by the end of FFY 2005. The waiting list of 5,500 translates into a waiting period of approximately 1.2 months.

Cash Transfer Agreements (CTAs)

CTAs provide GRF dollars to match federal funds that are not directly appropriated in RSC's budget. In the past, RSC has joined other state agencies in partnerships to maximize federal funding in serving mutually-eligible Ohioans with disabilities. The Rehabilitation Services Commission has had CTAs with the Department of Youth Services (DYS), Bureau of Workers Compensation (BWC), Ohio Department of Alcohol and Drug Addiction Services (ODADAS), Department of Mental Retardation and Developmental Disabilities (DMR), Department of Mental Health (DMH), and Department of Human Services (DHS), which is now part of the Department of Job and Family Services (JFS).

Beginning in FY 1998, in lieu of CTAs, RSC received direct appropriations for the purpose of providing VR services to mutually-eligible consumers between RSC and DMR, DMH, and DHS (now JFS). CTAs continued between RSC and DHS, BWC, and ODADAS. Challenges in the administration of CTAs include assuring the missions of both agencies are fully served by the activities funded through the agreement. The Commission's goal of helping its consumers find and retain employment can conflict, for

example, with DYS' priority in taking youth offenders off the street or with ODADAS' priority of obtaining and maintaining treatment for drug and alcohol addiction.

The Rehabilitation Services Commission no longer pursues CTAs with DYS and ODADAS. However, a CTA between RSC and BWC was retained during FYs 2002 and 2003 and has again been maintained during FYs 2004 and 2005. During FYs 2004 and 2005, BWC will transfer a total of \$1,158,428 to RSC pursuant to a cash transfer agreement to provide vocational rehabilitation services to mutually eligible clients. As a result, RSC will be able to draw down \$4,280,200 in federal matching funds.

BUSINESS ENTERPRISE PROGRAM

The Business Enterprise (BE) program provides people who are legally blind with employment opportunities as managers and operators of food service and vending facilities. These facilities include cafeterias on federal and state property and vending machine businesses along the interstate highway system. The BE program also creates additional employment opportunities for people with disabilities by encouraging facility managers to give them first hiring priority.

Gross sales for all 149 BE facilities was approximately \$22 million in FFY 2002, with 131 managers employed who, in turn, employed 400 Ohioans (169 of which were disabled workers). Average earnings per licensed manager in FY 2003 was \$36,916 per year. Each year, operators pay approximately \$1,000,000 in Ohio sales tax, over \$1,000,000 in self-employment tax (federal, state, and local), and approximately \$600,000 in employer taxes (state and federal).

General Revenue Fund dollars, which have been appropriated for this program in the past, are not being used to fund this program during FYs 2004 and 2005. Funding for the BE program has been generated through program revenues that are then used to draw down the federal match. The program is trying to maintain service levels by controlling program costs by using more refurbished equipment, negotiating deals for program vendors, and working to improve purchasing processes and reduce maintenance and repair expenses. The Rehabilitation Services Commission continues to seek additional sources of revenue for this program.

The Rehabilitation Services Commission expects the average earnings of licensed facility managers to increase from an estimated \$36,916 in FY 2003 to \$42,265 during FY 2004, and increase again to \$45,223 during FY 2005.

The BE program's current staffing level is 21 full time equivalents (FTEs), a reduction of 7.5 positions over the last two years. The program is striving to reduce the program staff by an additional 3 FTEs. This reduction is due, in part to funding, but also the result of an increase in operator efficiencies, which means the program can be run with fewer staff.

PERSONAL CARE ASSISTANCE

The Personal Care Assistance (PCA) program provides financial resources to Ohioans who are severely disabled so that they can purchase personal assistance services. These services, which include help with personal needs such as dressing and eating and assistance with grocery shopping and meal preparation, enable many Ohioans with disabilities to be able to work and live independently.

Each year the PCA program no longer serves some consumers from the previous year due to the person dying, or exiting the program because the person moves or acquires other resources, or a change of circumstances that would cause the person to no longer be eligible for the program. Funds committed to

these participants are then made available to other consumers. Additionally, some consumers may not use all of the funds allocated to them. The Rehabilitation Services Commission commits funds for this program taking into account the under-utilization of initially-committed funds.

The funding for the PCA program does not include any GRF dollars, which have been appropriated for this program in the past. For the FY 2004-2005 biennium, the Commission will use earned Social Security reimbursement dollars to fund this program. The funding level will enable people currently on the program to remain there and also allow for replacements to be made when individuals leave the program.

Consumers have requested that the maximum number of hours per week be increased from 35 to 40 hours and that the wage reimbursement rate be increased as well (current maximum is \$8.00 per hour). However, given the available funding, RSC will be unable to consider increasing either the maximum hours per week or the wage reimbursement rate.

OTHER PROGRAMS

The Rehabilitation Services Commission provides funding for several other programs, such as the Community Centers for the Deaf, the Independent Living program, and the Office for People with Brain Injury. In general, the funding available for these programs will enable some of the programs to provide only the most basic services, while others may have to cut some services. All of these programs will most likely need to reduce staff hours and some may be forced to reduce staff positions as well. 

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

Line Item Detail by Agency

FY 2001: FY 2002: FY 2003: FY 2004 Appropriations: % Change 2003 to 2004: FY 2005 Appropriations: % Change 2004 to 2005:

Report For: Main Operating Appropriations Bill

Version: Enacted

RSC Rehabilitation Services Commission

GRF	415-100	Personal Services	\$ 7,699,244	\$ 8,506,587	\$8,711,594	\$ 8,677,911	-0.39%	\$ 8,851,468	2.00%
GRF	415-401	Personal Care Assistance	\$ 730,767	\$ 288,684	\$0	\$ 0	N/A	\$ 0	N/A
GRF	415-402	Independent Living Council	\$ 454,141	\$ 398,582	\$12,665	\$ 12,040	-4.93%	\$ 12,280	1.99%
GRF	415-403	Mental Health Services	\$ 776,449	\$ 754,473	\$754,473	\$ 717,221	-4.94%	\$ 717,221	0.00%
GRF	415-404	MR/DD Services	\$ 1,375,570	\$ 1,326,302	\$1,326,284	\$ 1,260,816	-4.94%	\$ 1,260,816	0.00%
GRF	415-405	Vocational Rehabilitation/ Job and Fam	\$ 582,562	\$ 564,799	\$564,799	\$ 536,912	-4.94%	\$ 536,912	0.00%
GRF	415-406	Assistive Technology	---	\$ 50,000	\$50,000	\$ 47,531	-4.94%	\$ 47,531	0.00%
GRF	415-431	Office for People with Brain Injury	\$ 311,870	\$ 249,168	\$147,746	\$ 222,364	50.50%	\$ 226,012	1.64%
GRF	415-506	Services for People with Disabilities	\$ 12,773,917	\$ 11,931,616	\$11,741,452	\$ 11,830,306	0.76%	\$ 12,185,215	3.00%
GRF	415-508	Services for the Deaf	\$ 179,860	\$ 45,040	\$0	\$ 50,000	N/A	\$ 50,000	0.00%
GRF	415-509	Services for the Elderly	\$ 393,702	\$ 378,043	\$378,044	\$ 359,377	-4.94%	\$ 359,377	0.00%
GRF	415-520	Independent Living Services	\$ 61,319	\$ 48,208	\$75,596	\$ 50,000	-33.86%	\$ 50,000	0.00%
General Revenue Fund Total			\$ 25,339,400	\$ 24,541,503	\$ 23,762,653	\$ 23,764,478	0.01%	\$ 24,296,832	2.24%
4W5	415-606	Administrative Expenses	\$ 15,173,266	\$ 15,613,566	\$16,803,538	\$ 18,016,543	7.22%	\$ 18,557,040	3.00%
467	415-609	Business Enterprise Operating Expens	\$ 1,281,990	\$ 1,234,621	\$1,246,766	\$ 1,584,545	27.09%	\$ 1,632,082	3.00%
5L9	415-621	TANF/PCA Maintenance of Effort	\$ 28,192	\$ 31,808	\$0	\$ 0	N/A	\$ 0	N/A
5L9	415-622	TANF/PRCDR	\$ 42,390	\$ 66,670	\$0	\$ 0	N/A	\$ 0	N/A
General Services Fund Group Total			\$ 16,525,838	\$ 16,946,665	\$ 18,050,304	\$ 19,601,088	8.59%	\$ 20,189,122	3.00%
3L1	415-601	Social Security Personal Care Assistan	\$ 2,829,645	\$ 3,315,302	\$3,651,639	\$ 3,984,486	9.12%	\$ 3,988,032	0.09%
3L1	415-605	Social Security Community Centers for	\$ 1,100,609	\$ 1,042,819	\$1,227,480	\$ 1,100,488	-10.35%	\$ 1,100,488	0.00%
3L1	415-607	Social Security Administration Costs	\$ 138,732	\$ 154,897	\$169,860	\$ 174,119	2.51%	\$ 175,860	1.00%
3L1	415-608	Social Security Special Programs/Assis	\$ 2,960,702	\$ 16,472,116	\$7,224,382	\$ 6,941,158	-3.92%	\$ 6,941,158	0.00%
3L1	415-610	Social Security Vocational Rehabilitatio	\$ 1,457,177	\$ 1,428,090	\$1,226,410	\$ 1,338,324	9.13%	\$ 1,338,324	0.00%
3L4	415-611	Federal-Independent Living Council	\$ 82,392	\$ 51,099	\$0	\$ 0	N/A	\$ 0	N/A
3L4	415-612	Federal Independent Living Centers or	\$ 434,241	\$ 728,963	\$781,742	\$ 663,687	-15.10%	\$ 663,687	0.00%
3L1	415-614	Social Security Independent Living	\$ 312,598	\$ 15,992	\$385,917	\$ 385,917	0.00%	\$ 385,917	0.00%
3L4	415-615	Federal-Supported Employment	\$ 1,569,561	\$ 1,479,021	\$1,444,941	\$ 1,714,546	18.66%	\$ 1,714,546	0.00%
379	415-616	Federal-Vocational Rehabilitation	\$ 102,130,390	\$ 91,120,202	\$108,184,877	\$ 117,955,833	9.03%	\$ 125,520,457	6.41%
3L4	415-617	Independent Living/Vocational Rehabilit	\$ 813,610	\$ 1,107,322	\$1,567,551	\$ 1,582,484	0.95%	\$ 1,582,484	0.00%

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

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RSC Rehabilitation Services Commission									
317	415-620	Disability Determination	\$ 60,059,694	\$ 66,260,224	\$68,235,208	\$ 73,120,329	7.16%	\$ 76,776,343	5.00%
Federal Special Revenue Fund Group Total			\$ 173,889,351	\$ 183,176,046	\$ 194,100,007	\$ 208,961,371	7.66%	\$ 220,187,296	5.37%
468	415-618	Third Party Funding	\$ 3,870,942	\$ 1,166,227	\$802,376	\$ 1,692,991	111.00%	\$ 2,392,991	41.35%
4L1	415-619	Services for Rehabilitation	\$ 3,334,940	\$ 5,660,070	\$5,200,885	\$ 3,623,845	-30.32%	\$ 3,176,070	-12.36%
State Special Revenue Fund Group Total			\$ 7,205,882	\$ 6,826,297	\$ 6,003,261	\$ 5,316,836	-11.43%	\$ 5,569,061	4.74%
Rehabilitation Services Commission Total			\$ 222,960,471	\$ 231,490,511	\$ 241,916,225	\$ 257,643,773	6.50%	\$ 270,242,311	4.89%