

# House Ways and Means Healthcare Subcommittee

January 31, 2018

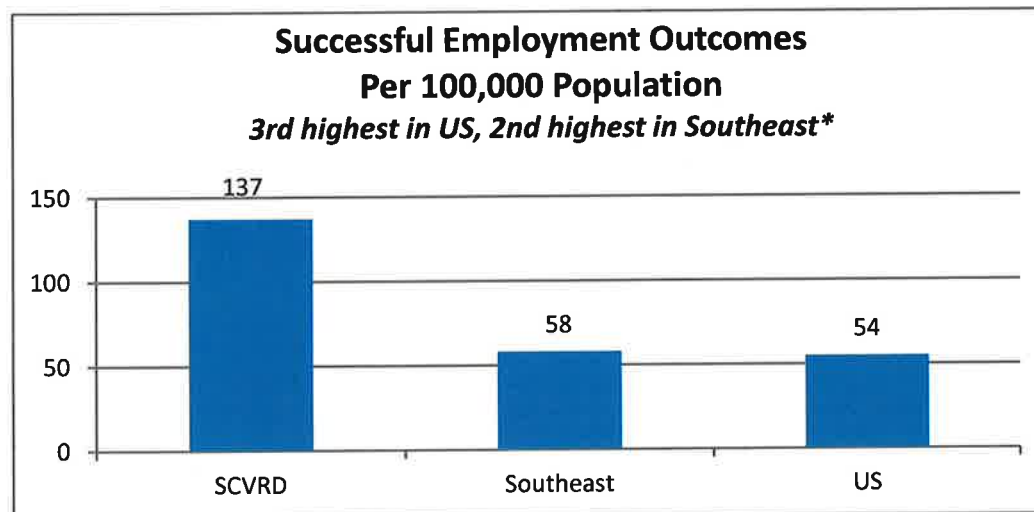
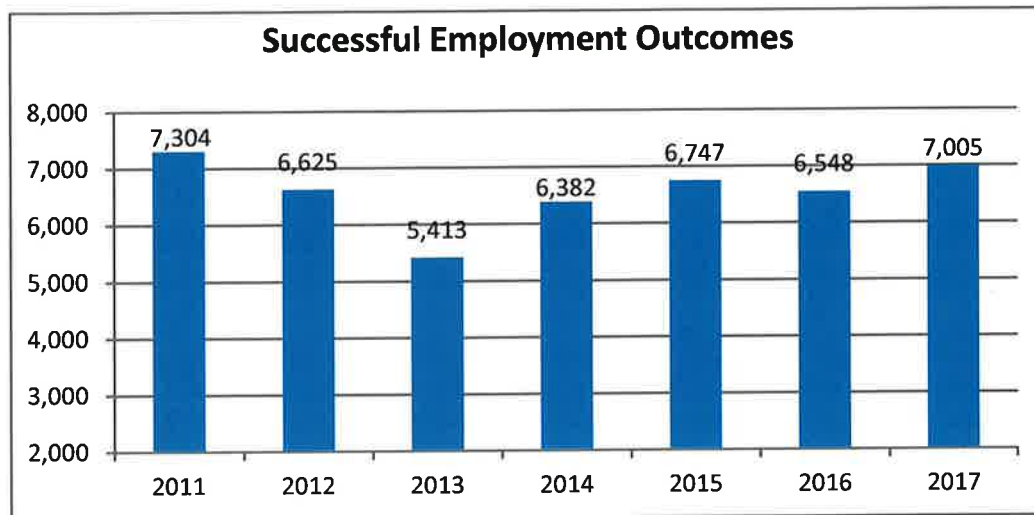
*Budget Request 2018-2019*

South Carolina  
Vocational Rehabilitation Department

*Mission:*

*To prepare and assist South Carolinians with disabilities  
to achieve and maintain competitive employment.*

## SCVRD Key Results



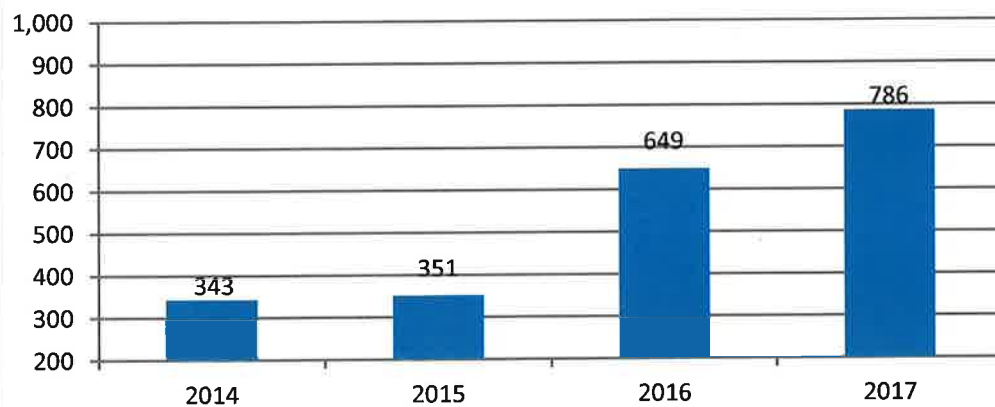
\* Most recent national comparative data: FFY2015

### Return on Investment

People with disabilities who exit the program with a successful employment outcome enhance the quality of their lives and their families' lives by earning paychecks, lessening their reliance on government assistance, and stimulating the state's economy by paying taxes, making purchases, and meeting the business community's workplace needs. Based on a cost benefit analysis:

- **Rehabilitated clients will pay back \$4.18 through taxes for every dollar spent on their services.**
- **They will repay the cost of their rehabilitation services through taxes in approximately 4.7 years.**

### VR Business Partnership Network Members



## Workforce Innovation and Opportunity Act (WIOA) Overview/VR Impact

In July 2014 the Workforce Innovation and Opportunity Act (WIOA) became law, replacing the Workforce Investment Act of 1998 (WIA) and amending the Rehabilitation Act of 1973 (Rehabilitation Act). This new law, which was a bipartisan and bicameral effort, represents a renewed commitment to workforce development with an eye to the future through innovation and support for individual and national economic growth. It is aimed at increasing opportunities, particularly for those individuals with disabilities who face barriers to employment, and invests in the important connection between education and career preparation.

### HIGHLIGHTS OF CHANGES TO REHABILITATION ACT PROGRAMS

***Increases Services to Youth with Disabilities:*** Throughout WIOA, especially in the amendments to the Rehabilitation Act, there is a significant emphasis on the provision of services to youth with disabilities. To that end, WIOA:

- Emphasizes the need for youth with disabilities to have more opportunities to practice and improve their workplace skills, to consider their career interests, and to get real world work experience.
- Requires State VR agencies to set aside **at least 15 percent of their Federal VR program funds to provide “pre-employment transition services”** to assist students with disabilities make the transition from secondary school to postsecondary education programs and competitive integrated employment.
- Requires State vocational rehabilitation (VR) agencies to make five “pre-employment transition services” available to all students with disabilities:
  - (1) Job exploration counseling;
  - (2) Work-based learning experiences, which may include in-school or after school opportunities, or experience outside the traditional school setting (including internships), that is provided in an integrated environment to the maximum extent possible;
  - (3) Counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education;
  - (4) Workplace readiness training to develop social skills and independent living; and
  - (5) Instruction in self-advocacy, which may include peer mentoring.
- Allows State VR agencies to prioritize serving students with disabilities.
- Allows State VR agencies to support advanced training in STEM and other technical professions.
- Dedicates half of the Federal Supported Employment program funds to provide youth with the most significant disabilities with the supports they need to enable them to obtain competitive integrated employment.

***Supports Employer Engagement:*** WIOA contributes to economic growth and business expansion by ensuring that the workforce is job-driven, matching employers with skilled individuals.

- WIOA places strong emphasis on employer engagement across all programs.
- There are increased opportunities under the VR program to assist employers in providing work-based learning experiences for individuals with disabilities, including participation in apprenticeships and internships.
- VR State agencies will describe in their State plans how they will work with employers to identify competitive integrated employment opportunities for individuals with disabilities.

**Emphasizes Competitive Integrated Employment:** WIOA places significant emphasis on obtaining competitive integrated employment, especially in the amendments to the Rehabilitation Act.

- WIOA promotes competitive integrated employment in all of its programs, especially the VR and Supported Employment programs authorized under the Rehabilitation Act.
- VR program services are designed to maximize the ability of individuals with disabilities, including individuals with the most significant disabilities, to achieve competitive integrated employment through customized employment, supported employment, and other individualized services.

**Enhances Accountability:** WIOA puts a premium on ensuring the accountability of Federal programs.

- WIOA increases accountability and places stronger emphasis on results through the establishment of common employment outcome measures across core WIOA programs, including the VR program.
- The common outcome measures across core WIOA programs will allow policymakers, program users, and consumers to better understand the value and effectiveness of the services.

**The common performance measures include:**

- 1) **Employment in Second Quarter After Exit**—the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program.
- 2) **Employment in Fourth Quarter After Exit**—the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program.
- 3) **Earnings**—the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program.
- 4) **Attainment of a Credential or Diploma**—the percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent, during participation in or within 1 year after exit from the program.
- 5) **Skills Gains in Education or Training Programs**—the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment.
- 6) **Effectiveness in Serving Employers**—
  - Percentage of repeat employers using services within the previous three years.
  - Percentage of employers using services out of all employers in the State.

**Promotes Collaboration and Efficiency:** WIOA establishes several new requirements to ensure greater efficiency within the programs and to ensure collaboration among all relevant stakeholders at both the Federal and State levels to ensure that the vision of WIOA is implemented.

- WIOA seeks to improve coordination between the primary Federal programs that support employment services, workforce development, adult education, and VR activities.
- WIOA encourages alignment between the four core programs: (1) the Adult, Dislocated Worker, and Youth formula programs administered by the Department of Labor (DOL) under title I; (2) the Adult Education and Literacy program administered by the Department of Education (ED) under title II; (3) the Wagner-Peyser Act employment services program administered by DOL; and (4) the VR program administered by ED.
- The core programs of the Workforce Innovation System, including the State VR program, must submit a Unified State Plan that includes common goals and strategies for fulfilling Federal requirements.
- The evaluation standards for all programs are aligned throughout WIOA.



## SCVRD Authorizations and Expenditures SFY2015 through 2017

Program Number and Title	Major Program Area Purpose	FY 14-15				FY 15-16				FY 15-16				FY 16-17				FY 16-17								
		Appropriations Act				Actual Expenditures				Appropriations Act				Actual Expenditures				Appropriations Act				Actual Expenditures				
01000000 Administration	General operation and support of all agency programs.	State:	1,251,254	784,222	848,828	1,251,254	784,222	848,828	1,291,432	1,007,365	State:	1,251,254	784,222	848,828	1,291,432	1,007,365	State:	1,291,432	1,007,365	1,291,432	1,007,365	State:	1,291,432	1,007,365	1,291,432	1,007,365
		Federal:	5,169,990	6,637,979	7,297,646	5,169,990	6,637,979	7,297,646	5,169,990	6,637,979	Federal:	5,169,990	6,637,979	7,297,646	5,169,990	6,637,979	Federal:	5,169,990	6,637,979	5,169,990	6,637,979	Federal:	5,169,990	6,637,979	5,169,990	6,637,979
		Other:	115,000	199,540	201,971	115,000	199,540	201,971	115,000	199,540	Other:	115,000	199,540	201,971	115,000	199,540	Other:	115,000	199,540	115,000	199,540	Other:	115,000	199,540	115,000	199,540
		Total:	6,536,244	7,621,741	8,348,445	6,536,244	7,621,741	8,348,445	6,536,244	7,621,741	Total:	6,536,244	7,621,741	8,348,445	6,536,244	7,621,741	Total:	6,536,244	7,621,741	6,536,244	7,621,741	Total:	6,536,244	7,621,741	6,536,244	7,621,741
05100000 Basic Services	Delivery of services to people with disabilities by preparing and assisting them to achieve and maintain competitive employment.	State:	8,841,519	10,065,045	10,692,556	8,841,519	10,065,045	10,692,556	10,117,802	10,976,173	State:	8,841,519	10,065,045	10,692,556	10,117,802	10,976,173	State:	10,117,802	10,976,173	10,117,802	10,976,173	State:	10,117,802	10,976,173	10,117,802	10,976,173
		Federal:	40,801,895	39,341,644	43,758,568	42,604,690	43,758,568	45,791,705	45,791,705	45,948,459	Federal:	40,801,895	39,341,644	43,758,568	45,791,705	45,948,459	Federal:	45,791,705	45,948,459	45,791,705	45,948,459	Federal:	45,791,705	45,948,459	45,791,705	45,948,459
		Other:	8,982,118	3,995,895	3,428,661	8,982,118	3,995,895	3,428,661	29,982,118	18,111,999	Other:	8,982,118	3,995,895	3,428,661	29,982,118	18,111,999	Other:	29,982,118	18,111,999	29,982,118	18,111,999	Other:	29,982,118	18,111,999	29,982,118	18,111,999
		Total:	58,625,532	53,402,584	57,879,785	60,897,255	57,879,785	57,879,785	85,891,625	75,036,631	Total:	58,625,532	53,402,584	57,879,785	85,891,625	75,036,631	Total:	85,891,625	75,036,631	85,891,625	75,036,631	Total:	85,891,625	75,036,631	85,891,625	75,036,631
05250000 Special Projects	Grant programs, extended rehabilitation services, in-service training, independent Living.	State:	66,557	85,471	41,993	66,557	85,471	41,993	66,557	20,070	State:	66,557	85,471	41,993	66,557	20,070	State:	66,557	20,070	66,557	20,070	State:	66,557	20,070	66,557	20,070
		Federal:	1,452,619	713,581	584,030	1,452,619	713,581	584,030	1,452,619	349,786	Federal:	1,452,619	713,581	584,030	1,452,619	349,786	Federal:	1,452,619	349,786	1,452,619	349,786	Federal:	1,452,619	349,786	1,452,619	349,786
		Other:	-	-	-	-	-	-	-	-	Other:	-	-	-	-	-	Other:	-	-	-	-	Other:	-	-	-	-
		Total:	1,519,176	799,052	626,023	1,519,176	799,052	626,023	1,519,176	369,856	Total:	1,519,176	799,052	626,023	1,519,176	369,856	Total:	1,519,176	369,856	1,519,176	369,856	Total:	1,519,176	369,856	1,519,176	369,856
05300000 Workshop Production	Program income from work training centers.	State:	-	-	-	-	-	-	-	-	State:	-	-	-	-	-	State:	-	-	-	-	State:	-	-	-	-
		Federal:	-	-	302,147	-	-	302,147	-	-	Federal:	-	-	302,147	-	-	Federal:	-	-	-	-	Federal:	-	-	-	-
		Other:	21,000,000	18,068,295	15,829,529	21,000,000	18,068,295	15,829,529	-	-	Other:	21,000,000	18,068,295	15,829,529	-	-	Other:	-	-	-	-	Other:	-	-	-	-
		Total:	21,000,000	18,068,295	16,131,676	21,000,000	18,068,295	16,131,676	-	-	Total:	21,000,000	18,068,295	16,131,676	-	-	Total:	-	-	-	-	Total:	-	-	-	-
25000000 Disability Determination Services	Adjudicate SSI/SSDI claims for the Social Security Administration.	State:	-	-	-	-	-	-	-	-	State:	-	-	-	-	-	State:	-	-	-	-	State:	-	-	-	-
		Federal:	42,956,784	34,232,939	34,211,266	42,956,784	34,232,939	34,211,266	45,801,197	34,647,331	Federal:	42,956,784	34,232,939	34,211,266	45,801,197	34,647,331	Federal:	45,801,197	34,647,331	45,801,197	34,647,331	Federal:	45,801,197	34,647,331	45,801,197	34,647,331
		Other:	2,729,413	1,945,704	2,175,972	2,729,413	1,945,704	2,175,972	-	-	Other:	2,729,413	1,945,704	2,175,972	-	-	Other:	-	-	-	-	Other:	-	-	-	-
		Total:	45,686,197	36,178,643	36,387,238	45,686,197	36,178,643	36,387,238	49,015,769	37,208,654	Total:	45,686,197	36,178,643	36,387,238	49,015,769	37,208,654	Total:	49,015,769	37,208,654	49,015,769	37,208,654	Total:	49,015,769	37,208,654	49,015,769	37,208,654
95000000 Employer Contributions	Employer Contributions	State:	3,656,129	3,210,808	3,300,403	4,057,219	3,300,403	3,300,403	4,377,009	3,849,192	State:	3,656,129	3,210,808	3,300,403	4,377,009	3,849,192	State:	4,377,009	3,849,192	4,377,009	3,849,192	State:	4,377,009	3,849,192	4,377,009	3,849,192
		Federal:	15,663,895	15,567,681	16,502,358	16,946,614	16,502,358	16,502,358	18,047,228	17,750,856	Federal:	15,663,895	15,567,681	16,502,358	18,047,228	17,750,856	Federal:	18,047,228	17,750,856	18,047,228	17,750,856	Federal:	18,047,228	17,750,856	18,047,228	17,750,856
		Other:	1,628,511	1,226,166	1,148,676	1,748,511	1,148,676	1,148,676	1,853,511	756,554	Other:	1,628,511	1,226,166	1,148,676	1,853,511	756,554	Other:	1,853,511	756,554	1,853,511	756,554	Other:	1,853,511	756,554	1,853,511	756,554
		Total:	20,948,535	20,004,655	20,951,437	22,752,344	20,951,437	20,951,437	24,277,748	22,356,602	Total:	20,948,535	20,004,655	20,951,437	24,277,748	22,356,602	Total:	24,277,748	22,356,602	24,277,748	22,356,602	Total:	24,277,748	22,356,602	24,277,748	22,356,602
Total Requiring	ALL PROGRAMS	State:	13,815,459	14,145,546	14,883,780	14,685,477	14,883,780	14,883,780	15,852,800	15,852,800	State:	13,815,459	14,145,546	14,883,780	15,852,800	15,852,800	State:	15,852,800	15,852,800	15,852,800	15,852,800	State:	15,852,800	15,852,800	15,852,800	15,852,800
		Federal:	106,045,183	96,493,824	102,656,015	109,130,697	102,656,015	102,656,015	116,262,739	107,724,145	Federal:	106,045,183	96,493,824	102,656,015	116,262,739	107,724,145	Federal:	116,262,739	107,724,145	116,262,739	107,724,145	Federal:	116,262,739	107,724,145	116,262,739	107,724,145
		Other:	34,455,042	25,435,600	22,784,809	34,575,042	22,784,809	22,784,809	35,165,201	21,676,456	Other:	34,455,042	25,435,600	22,784,809	35,165,201	21,676,456	Other:	35,165,201	21,676,456	35,165,201	21,676,456	Other:	35,165,201	21,676,456	35,165,201	21,676,456
		Total:	154,315,684	136,074,970	140,324,604	158,391,216	140,324,604	140,324,604	167,280,740	145,253,401	Total:	154,315,684	136,074,970	140,324,604	167,280,740	145,253,401	Total:	167,280,740	145,253,401	167,280,740	145,253,401	Total:	167,280,740	145,253,401	167,280,740	145,253,401
98010000 99000000 Non-Recurring	Non-Recurring Proviso Funds, Capital Projects	State:	-	315,025	413,354	-	413,354	-	-	4,924,681	State:	-	315,025	413,354	-	4,924,681	State:	-	4,924,681	-	-	State:	-	4,924,681	-	-
		Federal:	-	1,217,207	3,184,443	-	3,184,443	-	-	8,303,964	Federal:	-	1,217,207	3,184,443	-	8,303,964	Federal:	-	8,303,964	-	-	Federal:	-	8,303,964	-	-
		Other:	2,000,000	2,190,628	131,161	-	131,161	-	1,549,000	802,632	Other:	2,000,000	2,190,628	131,161	-	802,632	Other:	1,549,000	802,632	1,549,000	802,632	Other:	1,549,000	802,632	1,549,000	802,632
		Total:	2,000,000	3,722,860	3,728,958	-	3,728,958	-	1,549,000	14,031,277	Total:	2,000,000	3,722,860	3,728,958	1,549,000	14,031,277	Total:	1,549,000	14,031,277	1,549,000	14,031,277	Total:	1,549,000	14,031,277	1,549,000	14,031,277

## Appropriations Request for SFY 2018-2019

<b>Recurring</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>FTEs</b>
<b>Client Services-Client Training</b>	<b>\$ 426,000</b>	<b>\$ 1,574,000</b>		

*Purchased services for students with disabilities:*

- Post-secondary Tuition
- Books
- Specialized Equipment

*Purchased services for the general client population:*

- Post-secondary Training
- Job Tryouts
- On-the-Job Training
- Occupational and Vocational Training
- Customized Employment
- Demand Driven Training
- Other Credential Attainment Support

*These services support achievement of Workforce Innovation and Opportunity Act (WIOA) measures related to employment rates and retention; earning levels; skills gains; credential attainment; and effectiveness in serving employers. It is estimated that this appropriation would support purchased services for approximately 540 individuals with disabilities.*

<b>Non-Recurring</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>
<b>I.T. Technology/Security—Computer Purchases</b>	<b>\$ 900,000</b>		

- Would be used for purchase of up to 1,000 computers to be used statewide.
- Current computers utilize Windows 7 operating system, which will no longer be supported by Microsoft after January 2020.
- We will no longer receive security updates that help protect from harmful viruses, spyware and other malicious software endangering personal information of clients and staff.
- Request is consistent with priorities in agency's information and technology plan.

### **Proviso Requests:**

#### **NEW: Deferred Maintenance, Capital Projects, Ordinary Repair and Maintenance**

- Request proviso allowing SCVRD to establish a fund with the State Treasurer to deposit funds appropriated for deferred maintenance and capital projects.
- SCVRD has more than 900,000 square feet of facilities and more than \$10 million in CPIP-listed projects for years two through five for reroofing, repaving, and renovations.
- After required approvals, agency would be authorized to expend funds for projects and maintenance.
- Account would be interest-bearing and allow flexibility of carry-forward (for same purpose) as SCVRD manages a large number of deferred maintenance needs.

#### **NEW: Licensing Requirements for Disability Examiners**

- Request proviso that would waive certain licensing requirements (§40-47-32 of the State Code of Laws, subsection D) for physicians employed by the department's Disability Determination Services. These physicians review and evaluate medical evidence pertaining to physical impairments and make determinations of impairment severity under the disability benefits rules and guidelines of the Social Security Administration. They do not conduct examinations or have any other contact with individuals applying for benefits.
- The agency has a shortage of physicians for claims adjudication, with projections for additional vacancies in the next two years. Most doctors in these positions come to Disability Determination Services after retiring from clinical careers. South Carolina's licensing requirement for additional examinations has been a deterrent in recruiting physicians from other states, many of whom are already fully trained in Social Security Administration ratings.

#### **93.19 DOA: Sale of Surplus Real Property: Amend**

- SCVRD seeks deletion of the portion of this proviso related to its sale of property in Clinton.
- SCVRD has fully met the requirements of the proviso by utilizing net proceeds of the sale for capital projects or deferred maintenance. Proceeds were used toward a construction project in Lyman which has been completed. Senate Finance Committee and House Ways and Means Committee chairmen were notified in accordance with the proviso.

#### **117.130 GP: Equestrian Center Therapy Program: Delete**

- SCVRD seeks deletion of this proviso requiring the agency to transfer \$500,000 to Lander University for operation of the Lander Equestrian Center and to create a pilot program for equine-assisted psychotherapy for military members.
- SCVRD has met the requirements of the proviso by completing the transfer of \$500,000.



- Additionally, the agency is not allowed to use federal funds or program income for this transfer due to federal regulations pertaining to expenditure of VR service funds. Therefore, only General Funds may be used. SCVRD does not have authority in General Funds, Other Operating Expenditures for this expenditure amount.
- General Funds used for this purpose are not eligible for federal matching funds (21.3% state/78.7% federal); \$500,000 represents three percent of the agency's recurring funding. Continued reduction in General Funds would impact Maintenance of Effort levels that could lead to federal match penalty in future years (dollar for dollar).

## Customized Training Brings Work-Ready Candidates to Major Employer

Over the past two years Ruiz Foods has become a valuable VR partner who provides employment opportunities for VR clients. They have hired more than fifty VR clients who successfully completed the Manufacturing Certification Program provided by the Southeastern Institute of Manufacturing Technology at Florence Darlington Technical College.



VR develops strong partnerships with local businesses and industries to understand their needs, and in turn provide them with job candidates who have the skills and training required by those businesses.



To help provide the required training in Florence, VR is partnering with the Southeastern Institute of Manufacturing and Technology (SiMT), which is part of Florence-Darlington Technical College.



Classes at SiMT are tailored to a business's specific needs. The duration, content, and frequency that a class is offered can be scaled based on business requirements and the number of VR clients available for the training. Clients who complete the class receive OSHA 10, Six Sigma and forklift training certification.

Tommy Pruitt, Human Resource Manager at Ruiz Foods, says that the quality of employees they hire from VR is better than those they get through more traditional resources. He states that there are two reasons for this:

- (1) VR clients are pre-screened to determine if they will be a good match for Ruiz, and
- (2) the customized training provides the

clients with the exact skills they require.

Former VR client Freddie Evans says that VR and the customized training at SiMT prepared him for the opportunity to work at Ruiz Foods. Since starting as a packager, Evans has been promoted to an operational supervisor in charge of two production lines and 266 employees.

“VR set me up for success,” he says proudly.



Former VR client Freddie Evans (right) with Ruiz Foods co-founder Fred Ruiz.

## Transition Barriers Overcome with Team Approach and Partnerships



Entering his senior year of high school in 2015, Simon Castaneda was having trouble concentrating, had low self-confidence and poor motivation. He had been diagnosed with attention-deficit/hyperactivity disorder (persistent inattention, hyperactivity, and sometimes impulsivity) and oppositional defiant disorder (a frequent and persistent pattern of anger, irritability, arguing, or defiance) when he was younger. He was also dealing with the sudden, unexpected loss of his mother three months before school began. As a result, he made the decision to withdraw from school.

When he came to the Berkeley-Dorchester VR office, Simon was subdued and quiet, often staying to himself and avoiding interactions with other. Through counseling and guidance, job preparedness training, and the support of staff, Simon addressed these issues. During this time he also worked on completing his GED, with additional assistance from Palmetto Youth Connection and Adult Education.

Through a partnership with Trident Technical College, the Berkeley-Dorchester office offered a Certified Production Technician course. Simon was interested in manufacturing and, with his GED and a silver WorkKeys certificate, met the eligibility requirements. His counselor and business development specialist also helped him receive a scholarship for the training.

At first, Simon had some difficulty, but with support from his counselor and the course



Former VR client Simon Castaneda makes 10-15,000 medical catheters per day at CR Bard in Moncks Corner.

instructors, he began utilizing the skills he had learned. He became involved in the study group, improved his confidence, and even began assisting the instructors with the training. Simon received national certification as a certified production technician, in addition to OSHA 10 and Six Sigma certification.

Following the CPT course, Simon interviewed with CR Bard, Inc, a company in Moncks Corner that produces a variety of medical devices. He was hired as a production technician and works in an area where he helps manufacture catheters. Since his hire he has been promoted twice.