DEED / Vocational Rehabilitation Services

VRS Community Rehabilitation Program Advisory Committee

Friday, May 17, 2019 – 9:00 am – 3:00 pm

VRS Woodbury Office

# VRS CRP Advisory Committee – Meeting on May 17, 2019

Key Messages for the Greater Vocational Rehabilitation Community:

*Note: Key Messages are first distributed via .govdelivery approximately one week after the meeting and posted on the DEED website. They are also included at the end of the official full session notes.*

**Strategic Topic: Understanding and Adapting to the Changing VR Landscape**

* Director Larry Vrooman built upon April’s data-informed overview of the changing vocational rehabilitation services landscape since the enactment of WIOA in 2014. While April’s discussion was informed by a review of VR’s federal regulatory agency, Rehabilitation Services Administration’s (RSA), program performance indicators, and Minnesota’s VR program data trends; the May meeting was grounded in VR budget and fiscal realities.
* Minnesota’s VR Program fiscal situation and trends are not sustainable. Without intervention, the program is forecasting a deficit of $3MM by the end of the next program year. This would mean the final open service category One would be forced to close resulting in a complete shutdown of Minnesota’s VR program.
* Major pressures on the budget include:
	+ In depth analysis of the latest federal regulations indicates Minnesota must spend an additional $1.2MM in Pre-Employment Transition Services yet in Program Year 2019 or face having to send monies back to the federal agency RSA. Meeting this requirement will reduce monies that would have otherwise been available for services in Program Year 2020.
	+ Currently 94% of individuals seeking VR services are eligible for Category One. The complexity of individuals in Category One requires more intensive utilization of staff resulting in fewer individuals being served and increased average service costs. Program income is diminished due to increased time and expense in securing placements and a reduction in hires and average wages.
	+ This combination means that the VR program is experiencing a dramatic increase in costs while serving fewer individuals with a significant reduction in program income.
* With a record number of state agencies (41of 78) on some level of Order of Selection, 13 state agencies with only 1 open category and 10 state agencies with no open categories, Minnesota is part of an alarming number of VR programs around the country who are facing insufficient funding to address the increased expectations and demands generated by the transformation forces of WIOA.
* As of May 9, there were 2,228 Minnesotans on the waitlist who want VR services but whose disabilities eligibility fall into closed Service Categories 2-4. Categories 2 and 3 have been closed to new cases since 2013. Category 4 has been closed since 1998.
* The waitlist is a source of frustration and deferred employment potential for individuals and employers alike in an environment where Minnesota is experiencing a labor shortage of approximately 140,000 positions.
* VRS is actively pursuing strategies to address the serious budget and fiscal challenges. Re-opening Service Category Two is a critical component to stabilizing the financial viability of the program and achieving a sustainable future. Keys to re-opening Service Category Two are:
	+ Reducing Costs: Carefully and effectively stemming the rapid growth of case service expenses and costs that are far outpacing stagnant budgets.
	+ Increasing Program Income: Identifying and pursuing increased program income through increased wages and SSA Ticket to Work reimbursements is key.
* VRS is also planning to re-engage the statewide network of Placement Partnerships. VRS Director of Strategic Initiatives Chris McVey shared a brief overview of the history as well as the plan to re-engage local placement partnerships:
	+ VRS and RISE collaborated to create the Minneapolis Placement Partnership (MPP) in response to the economic recession of 2008-09 as a means for making and sharing connections when jobs were scarce. Another 10 local partnerships would form across the state following a similar model.
	+ Many of these local placement partnerships have since become dormant as the economy revived. Ten years later, low unemployment levels have resulted in a labor shortage and employers struggling to find talent.
	+ With WIOA’s mandate to expand Pre-Employment Transition Services for students, there is a real opportunity to rejuvenate the Placement Partnerships with an emphasis on transition youth opportunities and jumpstart outreach and employment connections for students, schools, and employers.
	+ If you have questions about your nearest placement partnership, or if you would like to explore developing one in your area, please contact Chris McVey or your regional VRS Placement Specialist.
* VRS Director of Community Partnerships Kim Babine noted that CRPs who wish to add or enhance their Pre-Employment Transition Services (Pre-ETS) on their P/T contracts, may apply to do so through the contract amendment process which is open through May 31, 2019.
	+ An updated list of terms and conditions for offering Pre-ETS services that comply with RSA specifications, along with amendment clarifications, will be sent out soon.
	+ Questions on VRS P/T Contracts and Amendments should be directed to Anne Paulson, VRS Rehabilitation Program Specialist at Anne.Paulson@state.mn.us
* The CRP Advisory Committee shared observations and experiences with VR referrals over the past few years. The discussion highlighted several client service challenges and opportunities as well as the wide variation occurring across Minnesota’s 87 counties. Key themes of referral experiences include:
	+ Most VR referrals express and demonstrate interest in competitive, integrated employment. In a small percentage of referrals, individuals are showing indifference, failing to show for appointments, or expressing interest in programs other than VR. Most VR referrals that CRP Advisory members experienced as ‘indifferent’ were students.
	+ In one organization, only half of VR PBA referrals were deemed ‘really engaged’ in their referred services. In contrast, referrals participating in IPS services were ‘highly engaged’. Barriers to engagement identified included lack of work experience choices in a geographic area, and students looking for a path to subminimum employment.
	+ CRPs are seeing an increase in the number of repeat referrals. A few members shared that this percentage can be as high as 10-20% of their VR referrals.
	+ CRPs reported no/rare decline rates for VR referrals. Lack of staffing capacity/availability, especially for job coaching, accounted for almost all declines. In a few cases, CRPs declined PBA referrals due to capping or uncertainty of long-term county waiver support. Other reasons for declining referrals included major safety issues such as predatory offenses.
* Director Vrooman encouraged community partners to work with local and regional VRS staff to collaborate and problem solve in order to find better ways forward without leaving anyone behind.
	+ Community partners experiencing service challenges associated with county level supports may contact VRS Rehabilitation Program Specialist, Amanda Jensen Stahl at: 651-259-7356 or VRS Director of Strategic Initiatives, Chris McVey at 651-259-7357 for consultation assistance.
* Three years into WIOA implementation, Minnesota like many states, is faced with severe financial pressures that must be addressed for the program to survive, reopen closed categories and operate an effective, sustainable employment program.
* As the public VR Program looks forward to celebrating its 100th anniversary in 2020, DEED Vocational Rehabilitation Services is renewing its deep commitment to providing technical assistance and support to VRS staff, CRP/LUV service providers, and interagency partners, to help more Minnesotans with disabilities, who want to work, find and retain competitive, integrated employment.

*End of Key Messages*