

## Georgians with Disabilities Miss Out on \$92 Million in Federal Grants

By Melissa Johnson, Policy Analyst

As the number of Georgians with disabilities grew over the last four years, funding that could have helped prepare them for employment decreased. Drastic cuts to state investment in specialized job training, counseling and other vocational rehabilitation led Georgia to leave \$92 million in federal funding on the table, enough to serve roughly 28,000 more people.<sup>1</sup> An average of about \$4.3 million in additional state appropriations each year — **less than one-twentieth of one percent of fiscal year 2014 state revenues** — would have been required to leverage the \$92 million over four years.<sup>2</sup>

Georgia's missed opportunity meant only about 38,000<sup>3</sup> of the 1.2 million Georgians with disabilities received vocational rehabilitation services in 2012, the most recent full year for which data are available. One example of what Georgia gave up: just \$6 million would build a proposed "Structured Discovery" training center for the blind in DeKalb County. Innovative facilities like this — which allows students to discover critical independence concepts like cooking and travel instead of having them presented by an instructor — often lead to increased employment and more self-sufficiency for the blind compared to Georgia's conventional programs.<sup>4</sup>

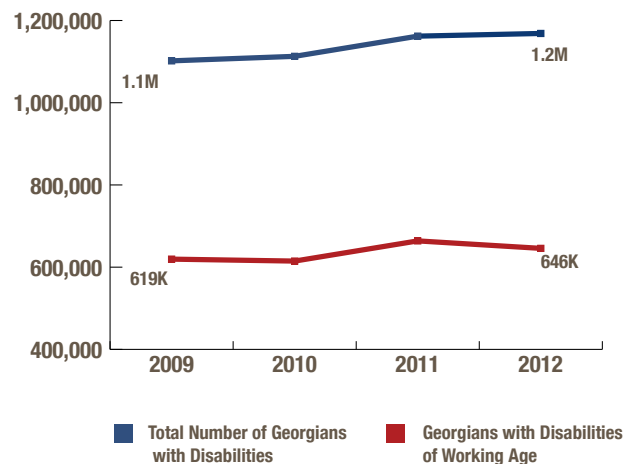
To help people with disabilities get good jobs, Georgia should spend more on vocational rehabilitation. Helping people with disabilities join the workforce creates a path for them to avoid poverty and sets them on a course to independence and financial stability. It also carries broader benefits since more workers expand the tax base and strengthen Georgia's entire economy.

## Georgians with Disabilities Suffer More Unemployment and Poverty

The number of people with disabilities in Georgia rose to about 1.2 million adults and children between 2009 and 2012. The 6 percent increase outpaced the state's general population growth<sup>5</sup> over the same period.

Georgians with disabilities are not faring well in the job market, especially when compared to their counterparts without disabilities. While the employment rate for all Georgians decreased the last five years, unemployment for people with disabilities is worse. Even leaving aside the weak economy, Georgians with disabilities are consistently employed at lower rates than people without disabilities. They face more barriers to employment, including lack of training and lack of transportation. They also need reasonable accommodations to do a job, which might include customized equipment, structural changes to the workplace or policy changes by the employer.<sup>6</sup>

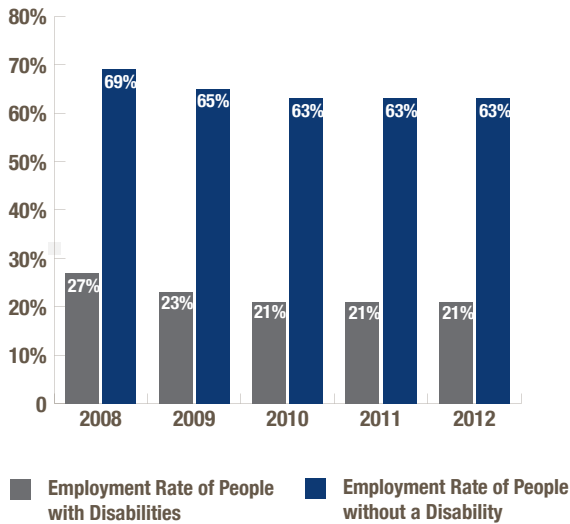
**Number of People with Disabilities on the Rise in Georgia**



Source: U.S. Census Bureau, American Community Survey

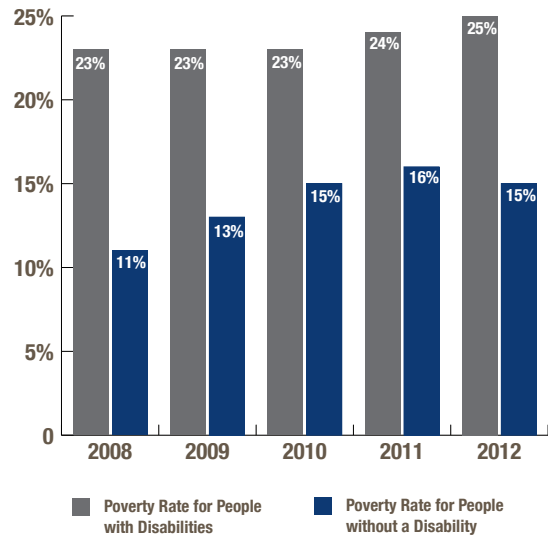
The low level of employment among people with disabilities makes them poorer than the rest of the population. Poverty for all Georgians rose due to the Great Recession, but it remains much higher for people with disabilities than for rest of the population.

### Employment Rate of People With Disabilities Trails the Rest of Population



Source: U.S. Census Bureau, American Community Survey

### Larger Share of People with Disabilities in Poverty than Those Without Disabilities



Source: U.S. Census Bureau, American Community Survey; Poverty rate for population age 16 and over

### Georgia Vocational Rehabilitation Agency

The Georgia Vocational Rehabilitation Agency (GVRA) was created in July 2012, in part to help people with disabilities gain financial independence through employment. The agency, funded at \$174 million<sup>7</sup> for the current fiscal year (2014), is assigned to the Department of Human Services for administrative purposes, but reports to its own independent Vocational Rehabilitation Services Board.

### Brief History of Vocational Rehabilitation Services in the U.S.

Though Georgia’s independent vocational rehabilitation agency is relatively new, the roots of vocational rehabilitation services reach back to the early 20th century. The 1917 Smith-Hughes Act first authorized federal matching dollars for states’ programs. The law created a Federal Board of Vocational Education (FBVE) to manage vocational education programs and required states to create their own boards to interact with the federal one.

In 1918, the Soldier’s Rehabilitation Act made vocational rehabilitation services available to all soldiers with disabilities returning home from World War I, with the aim of preparing them for employment. Money for veteran rehabilitation programs was administered by the FBVE. Other vocational rehabilitation legislation was passed during the 20th century to expand vocational rehabilitation services, culminating in the Rehabilitation Act of 1973. The Rehabilitation Act, as amended, is the current federal governing legislation for GVRA.

The agency operates five rehabilitation programs to serve Georgians with disabilities. The programs are interdependent, but each has its own funding model.

**Table 1 Vocational Rehabilitation is Largest Program within GVRA**

<b>Program Name</b>	<b>Description</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>Sales and Services</b>	<b>Georgia 2014 Fiscal Year Budget<sup>8</sup></b>
<b>Vocational Rehabilitation</b>	Helps people with disabilities prepare for, start and maintain competitive employment through individualized counseling, training, education and technology	x	x	x	\$69,180,268
<b>Roosevelt Warm Springs Institution<sup>9</sup></b>	One of the oldest comprehensive care and rehabilitation centers in the nation focusing on in-patient rehabilitation, long-term acute care, vocational rehabilitation services and recreational services not normally available to people with disabilities	x	x	x	\$30,991,307
<b>Business Enterprise Program</b>	Provides persons who are blind with the opportunity to manage small businesses, including snack bars, cafes and coffee shops at public agencies or businesses throughout the state of Georgia	x	x		\$2,582,579
<b>Georgia Industries for the Blind</b>	Provides jobs in manufacturing and packaging for individuals who are blind at plants in Bainbridge, Griffin and Albany, and service sites in Warner Robins and Pendergrass			x	\$11,828,888
<b>Disability Adjudication Section</b>	Approves or denies Georgians' applications for federal disability programs through an agreement with the Social Security Administration		x		\$55,598,820

Source: Georgia's 2014 Fiscal Year Budget (HB 106), as amended by Georgia Vocational Rehabilitation Agency

Though GVRA's programs rely on federal and state funds as well as income from sales and services, the agency's total budget is largely dependent on federal funding. In the 2014 fiscal year, federal money accounts for about 70 percent of the agency's total budget<sup>10</sup> that comes mostly from five separate grants:

**Table 2 Vocational Rehab Grant Largest Source of GVRA Federal Support**

Name of Grant	Description	Federal Funds Authorized in 2012
<b>In-Service Training</b>	Supports training state vocational rehabilitation staff to better manage services or improve skills to better deliver vocational rehabilitation services to people with disabilities	\$145,181
<b>Independent Living</b>	Expands and improves independent living services for people with significant disabilities by fully integrating them into the American mainstream	\$540,746
<b>Independent Living Services for Older Individuals Who are Blind</b>	Provides independent living services to older people who are blind	\$861,908
<b>Supported Employment</b>	Aids people with the most significant disabilities in finding and maintaining employment	\$769,812
<b>Vocational Rehabilitation</b>	Helps people with disabilities gain employment consistent with their strengths, resources, priorities, concerns, capabilities and informed choice	\$91,036,247

Source: Rehabilitation Services Administration; Georgia Department of Labor; Georgia Vocational Rehabilitation Agency; Catalog of Federal Domestic Assistance. Grant numbers are allocated based on a federal fiscal year and may be carried over multiple years. The 2012 fiscal year is the latest complete one available for this report.

### The Vocational Rehabilitation Grant

Money from the vocational rehabilitation grant is used by GVRA staff to assess the barriers to jobs for people with disabilities. Then they work to remove those barriers, using tools like technology, post-secondary education and vocational training to help them perform their jobs.

Of the five programs the agency operates, only three rely on the vocational rehabilitation grant. Those are Roosevelt Warm Springs, the Business Enterprise Program and the Vocational Rehabilitation program. From 2009 through 2012, Georgia lawmakers drastically cut state appropriations for all of these programs. Each cut left less state and federal money available to serve growing numbers of people with disabilities.

**Table 3 State Dollars Fail to Leverage Vocational Rehab Grant Over Four Years**

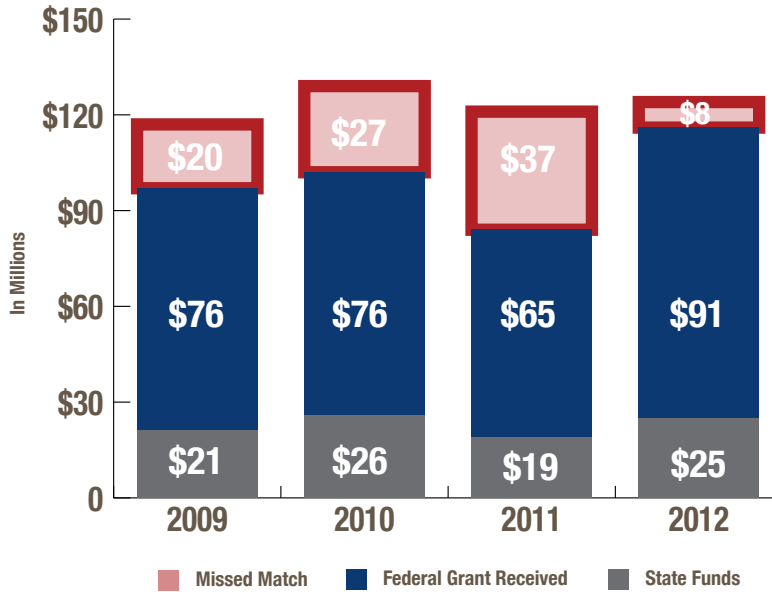
	FY 2009 Budget	FY 2012 Budget	FY 2009-FY 2012 Change (\$)	FY 2009-FY 2012 Change (%)
<b>Vocational Rehabilitation</b>	\$18,029,477	\$13,227,143	\$(4,802,334)	-26.6%
<b>Business Enterprise Program</b>	\$444,108	\$290,261	\$(153,847)	-34.6%
<b>Roosevelt Warm Springs Institute</b>	\$7,339,734	\$5,349,131	\$(1,990,603)	-27.1%
<b>Administration</b>	\$2,309,899	\$1,501,585	\$(808,314)	-35.0%
<b>Total</b>	\$28,123,218	\$20,368,120	\$(7,755,098)	-27.6%

Source: Georgia's 2009 Fiscal Year Budget (HB 990) and Georgia's 2012 Fiscal Year Budget (HB 78), signed by governor. The 2012 fiscal year is used as comparison as the last full one before GVRA became independent.

## Georgia Leaves Rehabilitation Grant Money Untapped

For more than 40 years, states have relied on federal vocational rehabilitation grants to help people with disabilities prepare for, secure and maintain employment. For every \$1 the state spends on most vocational rehabilitation services, the federal grant provides about \$4 in return, up to a limit based on Georgia's population and per-person income.<sup>11</sup>

### Georgia Misses Opportunity to Extend Vocational Rehab



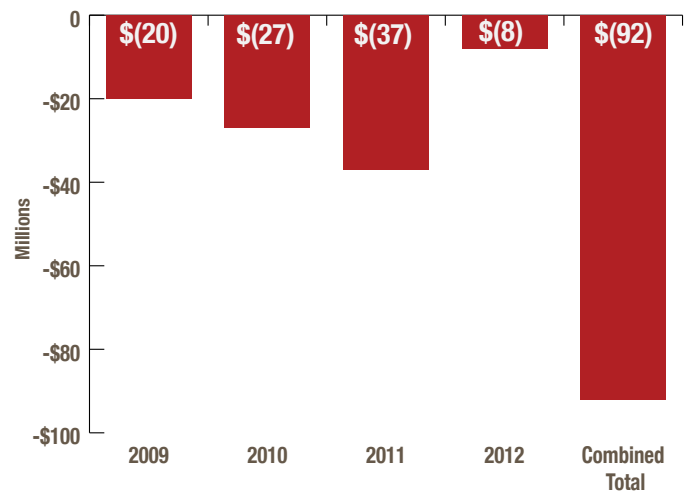
Sources: Georgia Department of Labor, Georgia Vocational Rehabilitation Agency, Rehabilitation Services Administration. Numbers based on a federal fiscal year. GVRA was created during the 2012 federal fiscal year when two separate grants were made to Georgia agencies.

If Georgia does not leverage its full federal grant potential, up to the limit, the balance is distributed to other states. From 2009 to 2012, Georgia failed to leverage about \$92 million that could have been used to help about 28,000 Georgians with disabilities. This is a big missed opportunity considering that the federal money Georgia got in 2012 provided vocational rehabilitation services to about 38,000 of the 1.2 million Georgians with disabilities.

The \$92 million that Georgia passed up did not go back into the federal Treasury to pay down the deficit. The money was redistributed to other states. For example, in the 2011 fiscal year, 23 states — including Florida, Mississippi, and Arkansas — received money that Georgia and other states passed up.<sup>12</sup>

About \$17 million in additional state appropriations over four years, or an average of \$4.3 million more per year, would have leveraged \$92 million more in

### Forgone \$92 Million Adds Up to Big Loss



Source: Source: Author's calculations based on data provided by the Georgia Department of Labor, the Georgia Vocational Rehabilitation Agency and the Rehabilitation Services Administration. The administration recalculated Georgia's potential for the grant during the 2012 fiscal year due to the creation of GVRA.

matching federal dollars. **The additional \$4.3 million per year is less than *one-twentieth of one percent of total state revenues.***

This omission is made worse given the increased number of people with disabilities in Georgia, their growing difficulty getting jobs, and the plight of more than 6,000 people on the waiting list to receive vocational rehabilitation services.<sup>13</sup> More than \$92 million would go a long way to help put these people to work.

**Table 4 Examples of What Additional Federal Funds Could Do**

Examples of What Additional Federal Funds Could Do	Approximate Cost
<b>Structured Discovery Center for the Blind:</b> Training centers like this one proposed for DeKalb County often result in increased employability and higher salaries for blind or visually impaired students compared with conventional Georgia programs. <sup>14</sup>	\$6 million over three years <sup>15</sup>
<b>Elimination of the Waiting List:</b> At an average cost of about \$3,248 per person, Georgia could have used approximately \$19.5 million in federal grant money to serve the 6,000 people who now sit on a waiting list. These people could have gotten services they need to get jobs, including post-secondary education, assistive technology or work-readiness training.	\$19.5 million
<b>Expansion of the School-to-Work Program:</b> GVRA has agreements with 74 school systems in Georgia to leverage federal vocational rehabilitation funds. These agreements require the state Department of Education pay about \$835,000 to help fund the salaries of school counselors who serve students with disabilities. The portions of the salaries paid by the department are used to draw down about \$3.7 million in federal grants used to pay the remainder of the salaries. Additional money could have expanded this program.	\$6.5 million <sup>16</sup>
<b>Grand Total</b>	<b>\$32 million</b>

**Agency Officials Working to Maximize Grants**

The vocational rehabilitation agency staff is working to identify additional state appropriations held by other agencies also serving people with disabilities to use as matching funds to access more federal grant money. But the most direct way for Georgia to ensure it is maximizing federal assistance to prepare persons with disabilities for work is for state lawmakers to appropriate enough money to the vocational rehabilitation agency so it can access every federal dollar available to the state.

**Georgians with Disabilities Deserve More State Support**

With the federal 2014 fiscal year beginning this month, it remains to be seen if Georgia will change direction and fully leverage federal grant money to help people with disabilities. In the face of the growing needs of people with disabilities in Georgia, there is no better time than the present for the state to provide additional investment to help its financially vulnerable citizens. Investing in Georgians with disabilities is one of the smartest decisions that the state could make.

## Appendix: How Vocational Rehabilitation Services Work<sup>17</sup>

Anyone in Georgia with a physical or mental disability that substantially interferes with their ability to work might be eligible for state-supported vocational rehabilitation services. (To qualify, the person must have the right to work in the United States). Georgians must first meet with a state vocational rehabilitation counselor or a third-party provider of vocational services, including Easter Seals and Goodwill.

Before anyone can qualify for state-funded services he or she must be given a preliminary assessment by a state counselor. This preliminary assessment is designed to evaluate whether:

- There is a physical or mental impairment that substantially impedes his or her ability to go to work
- The person is able to fully benefit from vocational rehabilitation
- Vocational rehabilitation services are required for the person to “prepare for secure, retain, or regain employment”<sup>18</sup>

Once the counselor determines eligibility, a needs assessment is conducted for the client.<sup>19</sup> This determines the “work goal, objectives, and the nature and scope of vocational rehabilitation services to be included” in an individual’s work plan.<sup>20</sup> Both counselor and client must agree to the work plan.

The counselor then assigns the client a priority category, established when agency finances will not cover everyone deemed eligible for services.<sup>21</sup> If the client is not placed in an “open” category, he or she is put on a waiting list or referred to other programs or agencies. Clients who make it into an open priority category can then obtain the services included in the work plan. Those services may be provided by the vocational rehabilitation program or a third-party provider.

A significant portion of vocational rehabilitation services are provided at no cost to the clients regardless of their financial circumstances.<sup>22</sup> These services include:

- Assessments for determining employment eligibility and priority (not including extended evaluations or trial work experiences)
- Assessments for determining desired employment outcome and which vocational rehabilitation services are needed
- Vocational rehabilitation counseling and guidance
- Referrals to other agencies
- Job-related services such as job search and placement assistance, job retention services, follow-up services, follow-along services, and ongoing on-the-job services for individuals with the most significant disabilities
- Daily personal assistance to enable participation in job training or another primary service
- Auxiliary aids or services needed to participate in vocational rehabilitation
- Vocational rehabilitation services for those eligible for certain Social Security benefits
- Daily personal assistance to enable participation in job training or another primary service
- Adjustment services, including learning where and how to look for a job, how to complete a job application, and interview skills.
- Vocational training provided at a GVRA residential rehabilitation program
- Certain services when provided in a post-employment status, including referral services and rehabilitation technology

For vocational rehabilitation services not listed above, including tuition at a post-secondary school, clients must meet financial need criteria before the state pays. The client's income and other financial resources, minus disability-related expenses, must equal no more than 150 percent of the federal poverty level (see chart below). Clients with income over this level are required to contribute a percentage of their income, up to a maximum amount.<sup>23</sup>

### VR Program Allowance (Financial Resource Limit)

Family Size	VR Program Allowance
1	\$17,235
2	\$23,265
3	\$29,295
4	\$35,325
<b>For each additional person, add</b>	\$6,030

When appropriate, the counselor will work with people to help them obtain a job placement after services are provided. The counselor continues to work with the client for the first 90 days after the job placement to determine if any additional services are necessary. If none are needed, the client's case is closed.



## Endnotes

<sup>1</sup>The number of people who could have potentially been served by \$92 million in federal funds is based on an average cost to serve of \$3,248 per client for federal fiscal year 2011 (the most recent year available), as provided by the Georgia Vocational Rehabilitation Agency. This cost per client will vary from year to year as the number of clients served fluctuates.

<sup>2</sup>This assumes that state funds were matched with federal funds for the vocational rehabilitation grant using a 21.3:78.7 ratio – the primary ratio in the federal regulations. 34 CFR § 361.60. However, the state match ratio for the vocational rehabilitation grant is 1:1 for the cost of construction of a facility for community rehabilitation program purposes. 34 CFR § 361.60 (a)(2). The Department of Labor Division of Rehabilitation Services incurred significant construction expenses in Federal Fiscal Year 2010.

<sup>3</sup>About 38,000 people were served with vocational rehabilitation grant funds in Federal Fiscal Year 2012.

<sup>4</sup>Edward C. Bell and Natalia M. Mino, Blind and Visually Impaired Adult Rehabilitation and Employment Survey: Final Results, Professional Development and Research Institute on Blindness, available at <http://www.pdrib.com/pages/reports-35-323-3-PB.php>.

<sup>5</sup>This refers to the growth in the civilian non-institutionalized population as calculated by the US Census Bureau.

<sup>6</sup>Persons with a Disability: Barriers to Employment, Types of Assistance, and other Labor-Related Issues – May 2012, <http://www.bls.gov/news.release/pdf/dissup.pdf>.

<sup>7</sup>Size of agency based on Georgia's 2014 Fiscal Year Budget, as amended by Georgia Vocational Rehabilitation Agency.

<sup>8</sup>There may be differences between the level of federal funds included in the budget for GVRA in HB 106, Georgia's 2014 Fiscal Year Budget, and the actual amount of federal funds that will be used by GVRA during fiscal year 2014. This may be due to timing differences; federal grant funds are allocated over a fiscal year different from that of the state and can be used over two fiscal years.

<sup>9</sup>The Cave Spring Rehabilitation Program was organizationally moved from the Vocational Rehabilitation Program to the Roosevelt Warm Springs Institute for Rehabilitation in July 2013. The purpose of the move was to centralize and standardize vocational rehabilitation residential services.

<sup>10</sup>Georgia's 2014 Fiscal Year Budget (HB 106), as amended by Georgia Vocational Rehabilitation Agency.

<sup>11</sup>The state match ratio for the vocational rehabilitation grant is 1:1 for the cost of construction of a facility for community rehabilitation program purposes. 34 CFR § 361.60 (a)(2)

<sup>12</sup>Correspondence with Jim Doyle, V.R. Program Specialist, Rehabilitation Services Administration, July 2013

<sup>13</sup>GVRA's waiting list as of August 21, 2013 totaled more than 6,000 clients.

<sup>14</sup>Edward C. Bell and Natalia M. Mino, Blind and Visually Impaired Adult Rehabilitation and Employment Survey: Final Results, Professional Development and Research Institute on Blindness, available at <http://www.pdrib.com/pages/reports-35-323-3-PB.php>.

<sup>15</sup>National Federation of the Blind in Georgia.

<sup>16</sup>Author's calculations based on total average cost of current School to Work program per school district. Calculations assume expansion from 74 school districts to 180 school districts – the total number in Georgia.

<sup>17</sup>This appendix reflects policies that will be effective at the Georgia Vocational Rehabilitation Agency as of October 1, 2013.

<sup>18</sup>GVRA Vocational Rehabilitation Program Client Services Policy Manual, 208.1.02.

<sup>19</sup>The client can also be put into an extended evaluation status if the counselor believes that is necessary before making an eligibility determination. GVRA Vocational Rehabilitation Program Client Services Policy Manual, 130.1.02 (D).

<sup>20</sup>GVRA Vocational Rehabilitation Program Client Services Policy Manual, 302.1.01.

<sup>21</sup>GVRA Vocational Rehabilitation Program Client Services Policy Manual, 306.1.01. In state fiscal year 2013, a number of factors combined to restrict the funding available for vocational rehabilitation services. Between October 2012 and December 2012, GVRA's vocational rehabilitation grant funding was frozen because the Department of Labor's Division of Rehabilitation Services failed to provide the federal Rehabilitation Services Administration eight fiscal reports between 2011 and 2012. Additionally, there were some challenges in budget communications between GVRA and the Department of Labor's Division of Rehabilitation Services. Due to its financial constraints, GVRA was unable to provide services to clients without a Work Plan for a significant portion of the year. (These clients were able to receive assessments.) This led to growth in the waiting list for services, which included approximately 6,000 people as of August 21, 2013.

Effective April 1, 2014, GVRA expects to implement the new system of Priority Categories previously approved by the Georgia Vocational Rehabilitation Board. The new Priority Category system will continue to first serve those with the most significant disabilities.

<sup>22</sup>GVRA Vocational Rehabilitation Program Client Services Policy Manual, 206.1.101 (effective October 1, 2013); Correspondence with Cecelia Hockett, VR Policy Unit Chief, GVRA, September 2013.

<sup>23</sup>Correspondence with Cecelia Hockett, VR Policy Unit Chief, GVRA, September 2013.