

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Public Education

Utah State Office of Rehabilitation

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1.0 Summary: Utah State Office of Rehabilitation

In 1988, the Utah State Legislature created the Utah State Office of Rehabilitation (USOR) under the direction of the Utah State Board of Education. USOR operates programs designed to assist individuals with disabilities to prepare for and obtain gainful employment and increase their independence. USOR contains an Executive Director's Office, and four operating divisions: Rehabilitation Administration, Disability Determination Services, Services to the Deaf and Hard-of-Hearing, and Services to the Blind and Visually Impaired.

For FY 2003, the Analyst recommends \$49,539,600, of which \$17,639,500 is from state tax revenue.

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
General Fund	254,900		254,900
Uniform School Fund	17,409,800	(25,200)	17,384,600
Federal Funds	31,548,500		31,548,500
Dedicated Credits Revenue	237,600		237,600
Transfers - Interagency	114,000		114,000
Total	<u>\$49,564,800</u>	<u>(\$25,200)</u>	<u>\$49,539,600</u>
Programs			
Executive Director	1,586,700	(2,400)	1,584,300
Blind and Visually Impaired	4,625,900	(7,100)	4,618,800
Rehabilitation Administration	34,549,800	(14,000)	34,535,800
Disability Determination	7,352,300		7,352,300
Deaf and Hard of Hearing	1,450,100	(1,700)	1,448,400
Total	<u>\$49,564,800</u>	<u>(\$25,200)</u>	<u>\$49,539,600</u>
FTE/Other			
Total FTE	404		404

2.0 Issues: Utah State Office of Rehabilitation

2.1 FY 2002 Recurring Reductions

Through supplemental budget action, the Legislature rescinded \$303,800 in ongoing Uniform School Funds from the State Office of Rehabilitation. USOR was allowed discretion in determining how these cuts would be implemented. The Analyst's FY 2003 base reflects these reductions as if they have been implemented as originally recommended by the Analyst.

2.2 FY 2003 Administrative Savings

The Legislature approved a 10% reduction in certain administrative cost categories as part of FY 2002 Supplemental action. That amount for FY 2002 was pro-rated for time that had already passed. For FY 2003, the full 10% is recommended by the analyst. This is an incremental impact of -\$25,200 in the State Office of Rehabilitation.

2.3 Internal Service Fund Rate Impacts

Department of Administrative Services Internal Service Funds (ISF) provide services to the State Office of Rehabilitation on a reimbursable basis. Each year, the ISFs review rates and adjust them for changing costs. For FY 2003, rate impacts will reduce the USOR's ISF costs by \$13,900. This savings has been accounted for in the Analyst's base.

2.4 Compensation for One More Work Day in FY 2003

The number of work-hours in fiscal year 2003 will be 2088, compared with the 2080 hours budgeted for fiscal year 2002. The cost of that additional day in the State Office of Rehabilitation is \$67,900 (\$39,500 USF). The Analyst's base includes funding for this extra day.

2.5 Allocation of Prior-Year Market Comparability and Retirement Adjustments

The Legislature provided \$4.6 million in FY 2002 for statewide market comparability adjustments and improved retirement benefits. The appropriation for FY 2002 was centralized, but has been distributed to agencies for FY 2003. The State Office of Rehabilitation receives an additional \$16,700 in the Analyst's base under this transfer.

2.5 Potential Further Reductions

In response to the Governor's request for FY 2003 Hold-backs, the State Office of Education compiled a list of program reductions and position eliminations totaling \$2,169,500 in potential savings. The Legislature's FY 2002 Supplemental Action utilized some of these items, but, should the subcommittee require funds for other higher-priority items, the State Office's list included additional cuts of \$150,000 for USOR.

3.0 Programs: Office of Rehabilitation

3.1 Executive Director's Office

Recommendation The Analyst recommends \$1,584,300, including \$1,233,500 from the Uniform School Fund, for USOR's Executive Director's Office. This is an increase of \$16,300 over FY 2002 revised.

	2001	2002	2003	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Uniform School Fund	927,200	1,224,600	1,233,500	8,900
Uniform School Fund, One-time		(7,400)		7,400
Federal Funds	345,100	349,800	350,800	1,000
Dedicated Credits Revenue	150,000			
Transfers - Interagency	13,700	16,700		(16,700)
Total	\$1,436,000	\$1,583,700	\$1,584,300	\$600
Expenditures				
Personal Services	894,400	1,047,300	1,053,600	6,300
In-State Travel	20,200	18,700	18,000	(700)
Out of State Travel	9,000	9,000	9,000	
Current Expense	212,800	209,300	207,700	(1,600)
DP Current Expense	11,200	11,000	10,900	(100)
Other Charges/Pass Thru	288,400	288,400	285,100	(3,300)
Total	\$1,436,000	\$1,583,700	\$1,584,300	\$600
FTE/Other				
Total FTE	14	15	15	

Purpose The Executive Director's Office is responsible for supervising and coordinating the four operating divisions.

3.2 Rehabilitation Administration

Recommendation

The Analyst recommends \$34,535,800 for Rehabilitation Administration, including \$12,167,100 from the Uniform School Fund and \$254,900 from the General Fund. This is an increase of \$195,700 over FY 2002 revised.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund		254,900	254,900	
Uniform School Fund	11,065,600	12,325,300	12,167,100	(158,200)
Uniform School Fund, One-time		(179,900)		179,900
Federal Funds	20,150,000	21,526,300	21,967,800	441,500
Dedicated Credits Revenue	170,900	32,000	32,000	
Transfers - Interagency	113,900	114,000	114,000	
Beginning Nonlapsing	287,400	267,500		(267,500)
Closing Nonlapsing	(267,500)			
Total	<u>\$31,520,300</u>	<u>\$34,340,100</u>	<u>\$34,535,800</u>	<u>\$195,700</u>
Expenditures				
Personal Services	10,226,600	11,185,500	11,259,500	74,000
In-State Travel	129,700	121,700	117,700	(4,000)
Out of State Travel	29,100	29,100	29,100	
Current Expense	1,747,100	1,688,200	1,691,200	3,000
DP Current Expense	445,400	444,400	443,900	(500)
Capital Outlay	45,500	45,500	45,500	
Other Charges/Pass Thru	18,896,900	20,825,700	20,948,900	123,200
Total	<u>\$31,520,300</u>	<u>\$34,340,100</u>	<u>\$34,535,800</u>	<u>\$195,700</u>
FTE/Other				
Total FTE	220	229	229	

Purpose

Rehabilitation Administration provides Vocational Rehabilitation and Independent Living services.

Vocational Rehabilitation is a State and Federal program designed to assist eligible individuals with disabilities to prepare for and obtain gainful employment. The program provides a variety of services directed towards the goal of employment. Services may include counseling and guidance, assistive technology, job training, job placement, and post employment follow-up. Eligibility for vocational rehabilitation is based on the presence of physical or mental impairment that constitutes or results in a substantial impediment to employment. Once an individual is determined eligible, the individual will then work in conjunction with a vocational rehabilitation counselor to develop an individualized written rehabilitation program. The counselor and the client work together to secure a job for the client after the services listed in the plan have been provided.

3.3 Disability Determination Services

Recommendation The Analyst recommends \$7,352,300 for Disability Determination Services. This amount includes \$10,000 from the Uniform School Fund, and is an increase of \$29,800 over FY 2002 revised estimated.

	2001 Actual	2002 Estimated	2003 Analyst	Est/Analyst Difference
Financing				
Uniform School Fund	2,400	10,000	10,000	
Federal Funds	6,720,500	7,312,500	7,342,300	29,800
Total	<u>\$6,722,900</u>	<u>\$7,322,500</u>	<u>\$7,352,300</u>	<u>\$29,800</u>
Expenditures				
Personal Services	3,653,100	4,187,500	4,215,300	27,800
In-State Travel	5,700	5,700	5,700	
Out of State Travel	11,900	11,900	11,900	
Current Expense	475,900	467,300	467,300	
DP Current Expense	70,100	70,100	70,100	
DP Capital Outlay	11,400	11,400	11,400	
Capital Outlay	26,400	26,400	26,400	
Other Charges/Pass Thru	2,468,400	2,542,200	2,544,200	2,000
Total	<u>\$6,722,900</u>	<u>\$7,322,500</u>	<u>\$7,352,300</u>	<u>\$29,800</u>
FTE/Other				
Total FTE	74	80	80	

Purpose Disability Determination Services is a federally funded program that processes disability claims of Utah residents. Its budget includes \$10,000 from the Uniform School Funds are to support the Disabilities Determination Services Advisory Council (UCA 53A-15-205).

This state administered federal program develops, adjudicates, and processes all disability claims of Utah residents under Title II and Title XVI of the Social Security Act. It refers disabled adults to the Division of Rehabilitation Services whenever the adult may benefit from vocational rehabilitation services. The determination of who may benefit is based on criteria developed by Social Security.

3.4 Services to the Deaf and Hard-of-Hearing

Recommendation

The Analyst recommends \$1,448,400 for Services to the Deaf and Hard of Hearing. This amount includes \$1,347,800 from the Uniform School Fund, and is an increase of \$6,400 over FY 2002 revised estimated.

	2001	2002	2003	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Uniform School Fund	1,332,700	1,400,000	1,347,800	(52,200)
Uniform School Fund, One-time		(54,900)		54,900
Dedicated Credits Revenue	90,900	96,900	100,600	3,700
Total	\$1,423,600	\$1,442,000	\$1,448,400	\$6,400
Expenditures				
Personal Services	974,100	1,089,200	1,096,400	7,200
In-State Travel	19,000	17,900	17,400	(500)
Out of State Travel	4,300	4,300	4,300	
Current Expense	208,400	158,200	157,900	(300)
DP Current Expense	31,200	31,100	31,100	
DP Capital Outlay	22,200			
Other Charges/Pass Thru	164,400	141,300	141,300	
Total	\$1,423,600	\$1,442,000	\$1,448,400	\$6,400
FTE/Other				
Total FTE	28	26	26	

Purpose

Services to the Deaf and Hard-of-Hearing helps increase productivity, independence, and community integration of individuals who are deaf or hard-of-hearing. Services are provided through the Utah Community Center for the Deaf and include information and referral, educational classes, counseling services, recreation and leisure activities, telecommunication services for the deaf, repair and maintenance of assistive technology, interpreter services, and library services.

3.5 Services to the Blind and Visually Impaired

Recommendation

The Analyst recommends \$4,618,800 for Services to the Visually Impaired. This amount includes \$2,626,200 from the Uniform School Fund, and is an overall increase of \$4,900 over FY 2002 revised estimated.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Uniform School Fund	2,348,900	2,700,000	2,626,200	(73,800)
Uniform School Fund, One-time		(74,400)		74,400
Federal Funds	1,813,700	1,883,300	1,887,600	4,300
Dedicated Credits Revenue	102,400	105,000	105,000	
Total	<u>\$4,265,000</u>	<u>\$4,613,900</u>	<u>\$4,618,800</u>	<u>\$4,900</u>
Expenditures				
Personal Services	2,281,000	2,445,000	2,461,400	16,400
In-State Travel	20,800	19,600	19,000	(600)
Out of State Travel	7,300	7,300	7,300	
Current Expense	750,400	731,800	729,400	(2,400)
DP Current Expense	165,000	163,000	162,000	(1,000)
DP Capital Outlay	38,000	38,000	38,000	
Capital Outlay	6,200	6,200	6,200	
Other Charges/Pass Thru	996,300	1,203,000	1,195,500	(7,500)
Total	<u>\$4,265,000</u>	<u>\$4,613,900</u>	<u>\$4,618,800</u>	<u>\$4,900</u>
FTE/Other				
Total FTE	56	54	54	

Purpose

Services to the Blind and Visually Impaired assists individuals who are blind or visually disabled to obtain employment and increase their independence. The division provides a variety of services that include orientation and mobility assistance, vocational counseling, vocation training, adaptive technology services, adjustment to blindness training activities, visual screening of children, and prevention of blindness training. The division also administers a Business Enterprise Program that includes cafeterias, gift shops, and convenience stores that are operated by the blind.

4.0 Additional Information: Utah State Office of Rehabilitation**4.2 Funding History**

	1999	2000	2001	2002	2003
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	280,000			254,900	254,900
Uniform School Fund	13,157,000	14,637,900	15,676,800	17,659,900	17,384,600
Uniform School Fund, One-time				(316,600)	
Federal Funds	28,376,100	28,620,900	29,029,300	31,071,900	31,548,500
Dedicated Credits Revenue	1,158,800	40,500	514,200	233,900	237,600
Transfers - Interagency	68,100	112,000	127,600	130,700	114,000
Beginning Nonlapsing	376,900	278,200	287,400	267,500	
Closing Nonlapsing	(278,200)	(287,400)	(267,500)		
Lapsing Balance	(800,000)				
Total	\$42,338,700	\$43,402,100	\$45,367,800	\$49,302,200	\$49,539,600
Programs					
Executive Director	1,192,200	1,258,300	1,436,000	1,583,700	1,584,300
Blind and Visually Impaired	3,572,700	3,939,800	4,265,000	4,613,900	4,618,800
Rehabilitation Administration	29,230,200	30,516,900	31,520,300	34,340,100	34,535,800
Disability Determination	7,107,100	6,367,600	6,722,900	7,322,500	7,352,300
Deaf and Hard of Hearing	1,236,500	1,319,500	1,423,600	1,442,000	1,448,400
Total	\$42,338,700	\$43,402,100	\$45,367,800	\$49,302,200	\$49,539,600
Expenditures					
Personal Services	16,466,300	17,476,700	18,029,200	19,954,500	20,086,200
In-State Travel	180,800	200,800	195,400	183,600	177,800
Out of State Travel	58,100	50,400	61,600	61,600	61,600
Current Expense	3,259,500	2,895,100	3,394,600	3,254,800	3,253,500
DP Current Expense	479,300	600,200	722,900	719,600	718,000
DP Capital Outlay	40,100	112,000	71,600	49,400	49,400
Capital Outlay	38,900	16,700	78,100	78,100	78,100
Other Charges/Pass Thru	21,815,700	22,050,200	22,814,400	25,000,600	25,115,000
Total	\$42,338,700	\$43,402,100	\$45,367,800	\$49,302,200	\$49,539,600
FTE/Other					
Total FTE	390	390	392	404	404

4.1 Federal Funds: Utah State Office of Rehabilitation

Programs	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimated	FY 2002 Analyst
Administrative:					
Vocational Rehabilitation State Program	\$185,800	\$166,500	\$238,100	\$250,000	\$245,500
In Service Training	78,200	69,000	73,000	75,000	75,000
Total Administrative	\$264,000	\$235,500	\$311,100	\$325,000	\$320,500
Rehabilitation Services:					
System Change Project		\$117,600	\$769,800	\$488,400	\$488,400
Social Security Trust Fund	\$199,600	70,100	428,500	428,500	428,500
Vocational Rehabilitation State Program	20,760,800	18,423,300	18,116,300	19,275,300	19,211,300
Supported Employment Services	181,900	179,300	188,200	188,200	188,200
Independent Living - Part A	304,400	294,100	306,000	297,600	297,600
Supported Employment	300,000	300,000	303,100	300,000	300,000
Independent Living - Blind	167,900	159,200	179,300	194,000	194,000
Total Rehabilitation Services	\$21,914,600	\$19,543,600	\$20,291,200	\$21,172,000	\$21,108,000
Disability Determination:					
Social Security Disability Determination	\$6,030,000	\$7,103,000	\$6,364,500	\$7,200,000	\$7,131,300
Total Disability Determination	\$6,030,000	\$7,103,000	\$6,364,500	\$7,200,000	\$7,131,300
Visually Impaired:					
Social Security Trust Fund	\$36,300	\$64,700	\$138,200	\$150,000	\$150,000
Vocational Rehabilitation State Program	1,423,300	1,403,300	1,485,600	1,550,000	1,521,900
Independent Living - Blind	24,700	26,000	30,300	31,000	31,000
Total Visually Handicapped	\$1,484,300	\$1,494,000	\$1,654,100	\$1,731,000	\$1,702,900
Total Programs	\$29,692,900	\$28,376,100	\$28,620,900	\$30,428,000	\$30,262,700

STILL NEEDS UPDATING