



# **Presentation to the Senate Finance Committee**

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**FY 2008-2009  
Legislative Appropriations Request**

**October 16, 2006**

## FY2007 VR grant growth

- DARS is estimating a 3.6% federal grant growth for the Vocational Rehabilitation (VR) program for FY2007. The federal allocation formula is based on population growth.
- The match required is roughly \$1.5 million to match roughly \$6 million in federal funds – a four to one match.
- This request will serve 3,936 disabled Texans and will avoid a waiting list in this program.
- DARS is requesting support of the HHSC request authorizing a GR transfer from HHSC to DARS to meet this request.

## CMS Deferral

- The Center for Medicaid and Medicare Services (CMS) has issued 3 deferral letters, resulting in the withholding of \$5.2M in federal funds in the ECI program.
- HHSC plans to develop a statewide administrative claiming system that will address and resolve the CMS issue by the end of FY2007.

# Assumptions in FY 2008-2009 Appropriations Request

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- As instructed, the Early Childhood Intervention program is considered an entitlement program and funding for caseload growth appears in the base request.
- The ECI Comprehensive Services biennial caseload growth estimate is 19%.
- The Disability Determination Services annual caseload and grant growth estimate is 4%.
- The Federal Vocational Rehabilitation grant growth is assumed to be 3.5% annually (based on an average of prior 3 years).
- The DARS Independent Living Services and Comprehensive Rehabilitation Services waiting lists appear in the HHSC LAR.

## **Child Abuse Prevention and Treatment Act**

- In 2003, Congress amended CAPTA to require state child protective services to refer children under age three involved in substantiated cases of abuse and/or neglect to the state early intervention services agency.
- HHSC, DFPS and DARS developed an enterprise process that complies with the requirements of CAPTA.
- Additional screenings, eligibility determinations, comprehensive and follow along services are expected in the Early Childhood Intervention program.
- For the FY 2008-09 biennium, DARS projects over \$8 million in additional general revenue needed to cover the costs of CAPTA compliance.



# Biennial Comparison of Agency Request

DARS	FY 2006-2007		FY 2008-2009		Biennial Difference	
	GR	AF	GR	AF	GR	AF
Goals						
A. Ensure Children and Their Families Reach Their Developmental Goals	\$64,575,347	294,032,113	73,301,716	342,253,009	8,726,369	48,220,896
B. Rehabilitation Services for Persons with Disabilities	\$122,008,161	506,268,816	109,967,699	455,652,521	-12,040,462	-50,616,295
C. Provide Disability Determination Services within SSA Guidelines	\$0	194,039,765	0	231,385,466	0	37,345,701
D. Program Support	\$8,308,642	47,777,019	7,641,186	45,322,705	-667,456	-2,454,314
Exceptional Items Request	\$0	0	23,291,436	100,807,658	23,291,436	100,807,658
Total	\$194,892,150	1,042,117,713	214,202,037	1,175,421,359	19,309,887	133,303,646

# Comparison of Key Caseloads

Program	FY 2006	FY 2007	Baseline Request		Exceptional Request	
			FY 2008	FY 2009	FY 2008	FY 2009
DRS-VR consumers served	86,627	88,100	76,163	74,988	20,140	27,777
DBS-VR consumers served	9,824	9,922	7,548	7,548	2,400	2,520
DDS caseloads	299,272	311,242	323,692	336,640	0	0
DRS-CRS consumers served	380	401	350	340	39	38
ECI-Comp Services	46,067	50,741	55,661	59,280	0	0



# Summary of Exceptional Items for FY 2008-2009

EXCEPTIONAL ITEM	FY 2008		FY 2009		BIENNIAL TOTAL		FY 08	FY 09
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs
Baseline Request	\$95,462,305	\$529,325,402	\$95,448,296	\$545,288,299	\$190,910,601	\$1,074,613,701	2,891.3	2,891.3
Exceptional Items:								
1 Restore Base Funding and FTEs	\$6,347,486	\$28,359,044	\$6,361,490	\$29,724,994	\$12,708,976	\$58,084,038	168.0	168.0
2 Federal Grant Growth– Vocational Rehabilitation	3,351,350	15,049,269	5,411,864	25,855,105	8,763,214	40,904,374	-	-
3 Establish Two New Centers for Independent Living	\$500,000	500,000	500,000	500,000	1,000,000	1,000,000	-	-
4 Increase Funding to Selected IL Centers	\$409,623	409,623	409,623	409,623	819,246	819,246	-	-
5 FTE Increase for 100% Federally funded DDS program							122.3	162.5
Total Exceptional Items	\$10,608,459	\$44,317,936	\$12,682,977	\$56,489,722	\$23,291,436	\$100,807,658	290.3	330.5
Grand Total: Baseline Request Plus Exceptional Items	\$106,070,764	\$573,643,338	\$108,131,273	\$601,778,021	\$214,202,037	\$1,175,421,359	3,181.6	3,221.8
FY 2006-2007 Appropriation					\$194,892,150	\$1,042,117,713	3,105.8	3,143.0



## Restore Base Funding and FTEs

<b>Funding Request</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>Biennium</b>
<b>Total (All Funds)</b>	<b>\$ 28,359,044</b>	<b>\$ 29,724,994</b>	<b>\$ 58,084,038</b>
Method of Financing:			
General Revenue	5,102,673	5,116,676	10,219,349
GR - Dedicated	1,244,813	1,244,814	2,489,627
Other Funds	-	-	-
Federal Funds	22,011,558	23,363,504	45,375,062
Number of FTEs	168.0	168.0	
<b>Request</b>			
Request restoration of GR cuts for Vocational Rehabilitation, Comprehensive Rehabilitation Services, Business Enterprises of Texas, Blindness Education, Screening and Treatment, and Administration. Of the 168 FTEs impacted by this reduction, 147 deliver direct services and the other 21 are in administration.			
<b>Program Impact</b>		<b>FY 2008</b>	<b>FY 2009</b>
Increase in VR clients served-DRS		13,875	13,875
Increase in VR clients served-DBS		2,024	1,814
Increase in BEST clients served		2,046	1,861
Increase in Comprehensive Rehabilitation Services		39	38

## Federal Grant Growth – Vocational Rehabilitation

<b>Funding Request</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>Biennium</b>
<b>Total (All Funds)</b>	<b>\$ 15,049,269</b>	<b>\$ 25,855,105</b>	<b>\$ 40,904,374</b>
Method of Financing:			
General Revenue	3,351,350	5,411,864	8,763,214
GR - Dedicated	-	-	-
Other Funds	-	-	-
Federal Funds	11,697,919	20,443,241	32,141,160
Number of FTEs	-	-	
<b>Request</b>			
Request GR for VR federal grant growth (3.5% annual cost of living adjustment). The formula used for distribution to the states is primarily based on population growth relative to the other states. Texas historically receives more than the national average allotment with this formula. DARS will use these funds (79% federal / 21% state) to cover the population growth and to avoid a potential waiting list.			
<b>Program Impact</b>		<b>FY 2008</b>	<b>FY 2009</b>
Increase in VR clients served-DRS		6,265	13,902
Increase in VR clients served-DBS		376	706

## Establish Two New Centers for Independent Living

<b>Funding Request</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>Biennium</b>
<b>Total (All Funds)</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 1,000,000</b>
Method of Financing:			
General Revenue	500,000	500,000	1,000,000
GR - Dedicated	-	-	-
Other Funds	-	-	-
Federal Funds	-	-	-
Number of FTEs	-	-	

### Request

Currently, Texas has 21 centers for independent living. They provide services to 104 of 254 counties. The State Independent Living Council and the Texas Association of Centers for Independent Living have requested 2 additional centers in Texas.

<b>Program Impact</b>	<b>FY 2008</b>	<b>FY 2009</b>
	2,358 (*)	2,358 (*)
(*) Technical correction to LAR		

## Increase Funding to Selected IL Centers

Funding Request	FY 2008	FY 2009	Biennium
<b>Total (All Funds)</b>	\$ 409,623	\$ 409,623	\$ 819,246
Method of Financing:			
General Revenue	409,623	409,623	819,246
GR - Dedicated	-	-	-
Other Funds	-	-	-
Federal Funds	-	-	-
Number of FTEs	-	-	

### Request

Based upon a national study by the Independent Living Research Utilization group, independent living centers need a minimum level of \$250,000 per year for operating costs. There are ten centers in Texas that fall below that threshold. This request represents bringing those 10 centers to the minimum requirements.

### Program Impact

	FY 2008	FY 2009
Increase clients served	1,932	1,932

## FTE Increase for 100% Federally Funded DDS Program

Funding Request			
Total (All Funds)	\$ -	\$ -	\$ -
Method of Financing:			
General Revenue	-	-	-
GR - Dedicated	-	-	-
Other Funds	-	-	-
Federal Funds	9,318,457*	10,175,762*	19,494,219*
Number of FTEs	122.3	162.5	

### Request

The Social Security Administration has indicated that DARS Disability Determination Services will receive an increase in funding and FTE authority to process a 4% caseload increase in each year of the biennium.

Program Impact	FY 2008	FY 2009
	12,450*	12,948*

\* Reflects funding and caseload increases that are in the LAR base request