



Terry I. Murphy, Commissioner

Presentation to

Senate Finance Committee

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The Department of Assistive and Rehabilitative Services:

- Assists Texans with disabilities to find or retain employment
- Prepares children with developmental delays (0 to 3 years of age) to meet educational and developmental goals
- Helps Texans with disabilities to live independently in their communities
- Helps survivors of traumatic brain and spinal cord injuries to regain functionality and independence
- Makes disability determinations for Texans who apply for Social Security benefits

Issues Facing DARS 2009-2011

- Since consolidation in 2004 DARS has eliminated 118.5 positions, moved 136.5 more to other agencies, and redeployed another 140 from program support to direct service delivery
- DARS' current FTE cap is 255 less than the combined caps of the four legacy agencies that consolidated in 2004 (excluding the 100% federally funded FTE additions)
- Since 2001 DARS has not received any GR-funded FTEs. Going back to 1999 we have received only 3 FTEs, which represents less than 0.1% of our FTE cap
- DARS's second-largest program by budget, Early Childhood Intervention, has not received any FTEs since 1997
- Eighteen percent growth in the population of people with disabilities since 2000
- The management-to-staff ratio in the VR-Blind program averages 1:19, well above the 1:11 required by the State Auditor's Office
- The department is 80% federally-funded. Of the 20% of state funds, 83% is tied to federal match or maintenance of effort, which means small changes in GR can have large effects on overall funding

Issues with Legislative Budget Estimate

- Full Time Equivalent (FTE) cap reduced by 17 over current biennium (related to Blind Children Program emergency funding in FY 2009)
- Early Childhood Intervention (ECI) caseload growth assumptions differ: Latest HHSC forecast approximately 7% each year of biennium; base bill less than 4% a year
- Percentage of children assumed to qualify for Medicaid in ECI appears to be higher in base bill than the 60% DARS has historically seen
- Individuals with Disabilities Education Act (IDEA), Part C funding carry-forward from FY 2009 to FY 2010 assumed to be higher than DARS expects

Exceptional Item Summary

Summary Table of Revised Exceptional Items

EXCEPTIONAL ITEM	FY 2010		FY 2011		BIENNIAL TOTAL		FY 2010	FY 2011
	GRR	All Funds	GRR	All Funds	GRR	All Funds	FTEs	FTEs
1. VR Grant Growth	\$ 448,209	\$ 2,104,267	\$ 956,398	\$ 4,490,131	\$ 1,404,607	\$ 6,594,398	105.5	194.8
2a. Maintain Services: Independent Living - Blind (IL-Blind)	\$ 607,119	\$ 607,119	\$ 557,873	\$ 557,873	\$ 1,164,992	\$ 1,164,992	7.7	7.7
2b. Maintain Services: Specialized Telecommunications Assistance Program (STAP)	\$ -	\$ 290,496	\$ -	\$ 290,496	\$ -	\$ 580,992	-	-
3a. Growth: Early Childhood Intervention (ECI)	\$ 411,297	\$ 411,297	\$ 411,297	\$ 411,297	\$ 822,594	\$ 822,594	5.1	5.1
3b. Growth: Autism (children 3-8)	\$ 830,000	\$ 830,000	\$ 830,000	\$ 830,000	\$ 1,660,000	\$ 1,660,000	-	-
3c. Growth: Blind Children	\$ 205,711	\$ 205,711	\$ 186,073	\$ 186,073	\$ 391,784	\$ 391,784	3.1	3.1
3d. Growth: Independent Living - Blind	\$ 809,314	\$ 809,314	\$ 740,586	\$ 740,586	\$ 1,549,900	\$ 1,549,900	10.7	10.7
3e. Growth: Business Enterprises of Texas (BET)	\$ 277,500	\$ 277,500	\$ 277,500	\$ 277,500	\$ 555,000	\$ 555,000	-	-
3f. Growth: Independent Living Centers	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 1,500,000	\$ 1,500,000	-	-
4. Accessibility	\$ 2,221,947	\$ 2,221,947	\$ 2,114,274	\$ 2,114,274	\$ 4,336,221	\$ 4,336,221	9.2	9.2
5a. Early Childhood Intervention (ECI) Services	\$ 35,992,294	\$ 35,992,294	\$ 49,267,804	\$ 49,267,804	\$ 85,260,098	\$ 85,260,098	-	-
5b. Early Childhood Intervention (ECI) Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Total Exceptional Items	\$ 42,553,391	\$ 44,499,945	\$ 56,091,805	\$ 59,916,034	\$ 98,645,196	\$ 104,415,979	141.3	230.6

Exceptional Item #1 VR Grant Growth

Funding Request	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 2,104,267	\$ 4,490,131	\$ 6,594,398
Method of Financing:			
General Revenue	448,209	956,398	1,404,607
GR - Dedicated			-
Other Funds			
Federal Funds	1,656,058	3,533,733	5,189,791
Number of FTEs	105.5	194.8	

Request

- The Vocational Rehabilitation Program helps people with disabilities prepare for, find, and keep jobs
- DARS receives a 4:1 federal-to-state match in this program
- VR is a “mandatory” federal grant with built-in cost-of-living adjustments each year
- 80% of the general revenue match for 2010-11 is in the base bill; this request would secure the other 20% for direct case services
- DARS’ request for 194.8 FTEs is essential to ensuring that funding already appropriated in the base can actually be spent; only 1 in 5 positions is state funded
- More than 92.3% of these FTEs will be engaged in direct service delivery; the other 7.7 percent will provide indirect service delivery support
- Management-to-staff ratios in VR-Blind program are unsustainable: 1:19 on average, with some at 1:20 or higher. This request would lower the ratio to 1:15 . SAO = 1:11
- Current caseload sizes in the VR-General program are high at 70 cases per counselor, 17% above the maximum of 60 consumers per counselor considered to be the threshold for quality service delivery

Program Impact	FY 2010	FY 2011
DBS VR (B.1.3)		
Number of Consumers Served	140	332
Number of Consumers Who Achieved Employment Outcomes	59	85
DRS VR (B.3.1)		
Number of Consumers Served	1830	5065
Number of Consumers Who Achieved Employment Outcomes	56	257

Exceptional Item 2a Maintain Services: Independent Living - Blind (IL-Blind) [B.1.1]

Funding Request	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 607,119	\$ 557,873	\$ 1,164,992
Method of Financing:			
General Revenue	607,119	557,873	1,164,992
GR - Dedicated			-
Other Funds			
Federal Funds			-
Number of FTEs	7.7	7.7	

Request

- The Independent Living Program assists adults who are blind or visually impaired to learn adaptive skills to continue to live independently and confidently with vision loss
- DARS received \$142,000 in emergency GR funding and 1.5 FTEs in FY 2009. This is included in the base; however, the program still faces a possible waiting list for services
- Caseloads are high at 74 per counselor, 23% above the maximum of 60 consumers per counselor considered to be the threshold for quality service delivery
- This request would add 5 counselors and 2.5 support staff to reduce caseload size to 60

Program Impact	FY 2010	FY 2011
DBS ILS - Reduce Caseload Sizes and Avert a Waiting List		

Exceptional Item 2b Maintain Services: Specialized Telecommunications Assistance Program (STAP) [B.2.3]

Funding Request	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 290,496	\$ 290,496	\$ 580,992
Method of Financing:			
General Revenue			-
GR - Dedicated			-
Other Funds	290,496	290,496	580,992
Federal Funds			-
Number of FTEs			

Request

- 11 contractors statewide demonstrate equipment and provide hands-on training to consumers with disabilities who need specialized telecommunications devices
- Specialized devices are more technologically complex than in the past and this request would allow contractors to increase the time spent with consumers from 10 hours per week to 30 hours
- Applications for STAP services have roughly doubled from 2003 to 2007, growing from approximately 12,500 to 23,748 and contractors need additional resources to process this volume

Program Impact	FY 2010	FY 2011
STAP	30 hours per week spent w/ consumers	30 hours per week spent w/ consumers

Exceptional Item 3a Growth: Early Childhood Intervention (ECI) [A.1.1]

Funding Request	FY 2010		FY 2011		Biennium	
Total (All Funds)	\$	411,297	\$	411,297	\$	822,594
Method of Financing:						
General Revenue		411,297		411,297		822,594
GR - Dedicated						-
Other Funds						
Federal Funds						-
Number of FTEs		5.1		5.1		

Request

- Early Childhood Intervention (ECI) coordinates a statewide system of early childhood intervention services for families of babies, birth to 36 months, with disabilities or developmental delays
- No FTEs added to this program since 1997
- 3 FTEs would provide performance monitoring and oversight; 2 FTEs would work with local providers to increase local funds and third-party reimbursements

Program Impact	FY 2010	FY 2011
ECI - Increase Contract Monitoring and Increase 3 rd Party Reimbursements		

Exceptional Item 3b

Growth: Autism - children 3-8 [A.3.1]

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

GR - Dedicated

Other Funds

Federal Funds

Number of FTEs

	FY 2010		FY 2011		Biennium	
	\$	830,000	\$	830,000	\$	1,660,000
General Revenue		830,000		830,000		1,660,000
GR - Dedicated						-
Other Funds						
Federal Funds						-
Number of FTEs		-		-		

Request

- Autism Services provides children ages 3 to 8 with a diagnosis on the Autism Spectrum with specialized services, including Applied Behavioral Analysis
- Currently DARS provides autism services to children 3 to 8 years of age in two pilot areas: Houston and Dallas
- This request would allow DARS to expand services into other geographic areas of the state

Program Impact

FY 2010

FY 2011

Autism - Average Monthly Number of Children Receiving Autism Services

32

32

Exceptional Item 3c

Growth: Blind Children [A.2.1]

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

GR - Dedicated

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 205,711	\$ 186,073	\$ 391,784
	205,711	186,073	391,784
			-
			-
	3.1	3.1	

Request

- BCP provides opportunities for children who are blind or severely visually impaired to learn the skills required for personal independence, potential employment, and other life pursuits
- This request would allow DARS to add 2 blind children’s specialists and 1 support position to increase the number of blind or visually impaired children served by 126 each year
- This represents an increase from 33% to 37% in the percentage of children served who appear on the Texas Education Agency’s Visually Impaired Registry

Program Impact

FY 2010

FY 2011

BCP - Average Monthly Number of Children Receiving Habilitative Services

126

126

Exceptional Item 3d Growth: Independent Living - Blind [B.1.1]

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

GR - Dedicated

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 809,314	\$ 740,586	\$ 1,549,900
General Revenue	809,314	740,586	1,549,900
GR - Dedicated			-
Other Funds			
Federal Funds			-
Number of FTEs	10.7	10.7	

Request

- The IL Program helps adults who are blind or visually impaired learn adaptive skills to continue to live independently and confidently with vision loss
- This request would allow DARS to add 7 specialists and 3.5 support positions to increase the number of blind or visually impaired adults served
- DARS would increase the percentage served of Texans who need these services from 3% to 4%

Program Impact

FY 2010

FY 2011

DBS ILS - Number of Consumers Served

890

1,522

Exceptional Item 3e

Growth: Business Enterprises of Texas (BET) [B.1.4]

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

GR - Dedicated

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 277,500	\$ 277,500	\$ 555,000
			-
	277,500	277,500	555,000
			-

Request

- BET is a federally sponsored program that is administered by the state. It provides food service management opportunities for Texans who are blind
- The program is self-funded by revenues from vending machines on state property
- BET would add 2 new food service managers who in turn would hire 6 employees if this request were approved
- Funding for BET is dedicated (Fund 492) and DARS is requesting authority to use more of these funds for the intended purpose

Program Impact	FY 2010	FY 2011
BET Fund 492		
Number of Individuals Employed by BET Businesses (Managers and Employees)	4	8
Number of Businesses Operated by Blind Managers	1	2

Exceptional Item 3f Growth: Independent Living Centers [B.3.2]

Funding Request	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 750,000	\$ 750,000	\$ 1,500,000
Method of Financing:			
General Revenue	750,000	750,000	1,500,000
GR - Dedicated			-
Other Funds			
Federal Funds			-
Number of FTEs			

Request

- IL Centers are non-residential, consumer-controlled, community-based, cross-disability non-profits that provide four core services:
 - Peer counseling
 - Independent living skills training
 - Systems advocacy
 - Information and referral
- In addition, ILCs seek out other funds from local, state and federal agencies that expand services to meet the needs of their communities
- Request would provide new ILCs in 3 of the 5 following areas:
 - Bryan-College Station
 - Galveston
 - Plano
 - San Angelo
 - Sherman

Program Impact	FY 2010	FY 2011
IL Centers - Number of People Receiving Services from ILCs	1,017	2,034

Exceptional Item 4 Accessibility [4.1.1]

Funding Request	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 2,221,947	\$ 2,114,274	\$ 4,336,221
Method of Financing:			
General Revenue	2,221,947	2,114,274	4,336,221
GR - Dedicated			-
Other Funds			
Federal Funds			-
Number of FTEs	9.2	9.2	

Request

- DARS is carrying this request for the HHS Enterprise
- DIR requires all agencies to have an accessibility remediation plan by June 2009
- Federal and state law sets accessibility standards for electronic information resources, such as websites
- HHS agencies are not currently in full compliance with these standards
- This exceptional request would help HHS agencies come into compliance with these standards and make electronic resources accessible to employees and the public

Program Impact	FY 2010	FY 2011
Compliance with Federal and State Laws		

Exceptional Item 5a Early Childhood Intervention (ECI) Services [A.1.1]

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

GR - Dedicated

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 35,992,294	\$ 49,267,804	\$ 85,260,098
	35,992,294	49,267,804	85,260,098
			-
			-
	0.0	0.0	

Request

ECI Base Adjustment (\$34.9 million)

- Caseload Growth Differences (\$17.4 million)
 - Base bill assumes slightly less than 4% increase in growth each year
 - DARS actual 7.4% increase comparing Q1 FY2008 to Q1 FY2009
 - 7% latest HHSC forecast, trending upward
 - If growth rates track recent trends, base funding will fall short of demand

- Individuals with Disabilities Education Act (IDEA) Carryforward (\$12.7 million)
 - Base bill assumes \$12.7 million in unspent IDEA Part C funds for FY2009
 - Assumption based on a cost per child that is \$222 less than the FY2009 budget
 - If cost per child is closer to budgeted levels, Part C will be expended in FY2009 and unavailable for carry-forward into FY2010-11

- Percentage of Children Presumed to Qualify for Medicaid (\$4.8 million)
 - From FY2005 to FY2009 percentage of Medicaid-eligible children in ECI has held steady at around 60%
 - Base bill assumes a higher percentage of Medicaid-eligible children for FY2010-11
 - If historical percentage holds, Medicaid funding will be less than assumed

Program Impact	FY 2010	FY 2011
See Next Page		

Exceptional Item 5b Early Childhood Intervention (ECI) Services [A.1.1] (Continued from Previous Page)

Funding Request	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ -	\$ -	\$ -
Method of Financing:			
General Revenue	-	-	-
GR - Dedicated			-
Other Funds		See Previous Page	
Federal Funds			-
Number of FTEs	0.0	0.0	

Request	Increase Above LAR Base (\$50.4 million)
	<ul style="list-style-type: none"> • Over the last 10 years, ECI providers have served an increasing number of babies under a cost-reimbursement contract, with an overall cost-per-child that has remained essentially flat • Level funding over time has required providers to leave critical positions unfilled (such as specialized therapists), resulting in reduced services to these babies and a crisis of quality • This request will allow ECI Contractors to fill critical positions, restore program quality, and increase services to children and families with complex service needs <ul style="list-style-type: none"> ○ Of the children served with developmental delays, children with delays in multiple areas increased from 37 percent in 2004 to 53 percent in 2008 ○ The number of ECI children diagnosed with conditions on the Autism Spectrum more than doubled between 2004 and 2007 and rose another 25% in 2008 ○ 8 to 9 percent of ECI children are involved in Child Protective Services, compared to 3 to 4 percent prior to 2007, typically meaning more complex service needs for the child and the family

Program Impact	FY 2010	FY 2011
Allows ECI contractors to fill critical positions, Restores program quality, and Increases services to children and families with complex service needs		

Waiting Lists

- HHSC is carrying the Waiting Lists for DARS
- Comprehensive Rehabilitation Services provides intensive therapies for people with traumatic brain or spinal cord injury to help them live independently in the community
- Independent Living Services promotes self-sufficiency despite significant disability by providing people with improved mobility, communication, personal adjustment and self-direction
- CRS request is \$4.4M in GR for FY2010-11 to serve 167 consumers
- ILS request is \$3.9M in GR + 6.5 FTEs for FY 2010-11 to serve 1,102 consumers