

March 25, 1999

Attention: Senator Brian Burke
Assemblyman John Gard

My husband is a resident at Odd Fellow Home in Green Bay. I am very pleased with his overall care. I feel that some of the Medicaid programs should be carefully examined because of a lot of misuse of the funds, but I do not feel that the caregivers at nursing homes should be involved in the reduction of funds. I feel that they are justified in receiving the 7% wage pass-through, and if it wasn't for their care and services, the elderly would certainly be the ones to suffer. I believe that the caregivers are well worth a raise; it's a shame that people working at fast food places receive a better salary than the caregivers working in nursing homes.

Please vote for the wage pass-through for the nursing home employees.

Sincerely,



Joyce E. Schneider

Julie Button
6673 Wintergreen Trail
Sobieski, WI 54171

I am here today to express my views about some of the programs and services very necessary to elderly and disabled people who need long term care. In particular, I wish to speak on behalf of the 100,000 Wisconsin residents who suffer from Alzheimer's disease and related dementia. Individuals and families who are dealing with this disease on a daily basis are often just not able to fit hearings like this into their "36-hour day." I am an ombudsman, so I speak to you with knowledge of these issues. The views I express are my own, not necessarily those of the agency I work for.

Alzheimer's is a progressive, degenerative disease that attacks the brain and results in impaired memory, thinking and behavior. The preferred setting to care for individuals with Alzheimer's is the home, where they are most comfortable and the surroundings and caregivers are familiar. Wisconsin's families should be commended for the care they provide—7 of 10 people with Alzheimer's live at home, where families provide 75% of the care. The care provided includes dealing with incontinence, managing medications, assisting with dressing, grooming and bathing and other activities of daily living. Caregivers report high levels of emotional and physical stress, and are twice as likely to report physical and mental health problems due to their caregiving. If the State of Wisconsin had to replace these family caregivers, it is estimated it would cost almost \$4 billion annually. These families need support and assistance—they need services and programs that supplement their efforts so care can continue to be provided in the home. Therefore, I ask that you consider the following:

Increase funding to the Alzheimer's Family and Caregiver Support Program.

Statewide this program is used for support services, respite care such as adult day care and in home care, emergency care in the home and development of new services, all to assist the family caregivers in caring for their loved ones with dementia. Doubling the funding for AFCSP would not only help more families—there are 750 people on the waiting list—but it would recognize the importance of and show appreciation for the family caregiver, a group of individuals this state cannot afford to lose.

Increase funding for elderly and disabled transportation. This in particular is an issue in rural areas. Without adequate funding and transportation, Wisconsin's residents with Alzheimer's disease cannot even take advantage of the day care programs that are available to provide respite, a lifesaving respite program for many family caregivers.

Increase funding for the Community Options Program. I am asking that \$45 million from the tobacco settlement be applied to COP to address the almost 8000 individuals on waiting lists, many of whom have dementia and have family caregivers who need help or they won't be able to continue providing the care at home. This results in premature institutionalization and greater costs to the State of Wisconsin.

I appreciate the time you allowed me to share my viewpoints. I hope that Wisconsin's most vulnerable citizens, in particular the 100,000 individuals and families who are dealing with Alzheimer's disease, can count on your support. Thank you.



N.E.W.
Curative
Rehabilitation, Inc.

2900 Curry Lane • P.O. Box 8027
Green Bay, WI 54308-8027 • Voice/TTY (920) 468-1161
1-800-636-1161 • FAX: (920) 468-7851
www.NEWCurative.org

**TESTIMONY JOINT FINANCE COMMITTEE
MARCH 26, 1999 - GREEN BAY**

Thank you for giving me the opportunity to speak to you today.

A few years ago the state of Wisconsin adopted State Use Legislation (Ss.16.752). This legislation allows community rehabilitation programs, such as N.E.W. Curative Rehabilitation, Inc. to have certain service contracts and products set aside so that people with disabilities could manufacture the products and complete the work if the State Use Board so requires. N.E.W. Curative currently maintains two rest areas, two weigh scales, and cleans three State buildings under this legislation. Overall this has worked well until last year when a CRP was informed that the prescription safety glass and Medicaid eye glass contract were going to be set aside. This organization went to great expense to purchase equipment (\$700,000), hire and train both staff and individuals with disabilities to complete the contract. The safety glass contract went well, but DHFS never turned the Medicaid eyeglass contract over. After 18 months of negotiating between DHFS, the DOA and the CRP, it became evident that the contract was not going to be awarded. The CRP had to turn back the safety glass contract and get out of the eyeglass business. This venture cost them hundreds of thousands of dollars and took away employment opportunities for people with disabilities. During the negotiations DHFS put the CRP and the DOA on notice that federal law prohibited the awarding of this contract on a non-competitive basis. We are surprised by this, since several other states had awarded the same Medicaid eyewear contract to CRP's under similar legislation.

Now we are being told that there is a proposal LRB-0362/2 (found on page 149, section 91 of AB-133 and SB-45) in the Governor's budget that will give the Secretary of Administration the authority to waive compliance with the law if the secretary determines that by setting aside the contract this would contravene competitive requirements under federal law or regulations. This issue is being pushed by DHFS and it is my belief it is being done so that it will make it much more difficult for community rehabilitation programs to obtain contracts under the legislation. This provision is not needed and will only give state agencies a way to circumvent the law because they do not want to work with community rehabilitation programs. There are criteria and guidelines currently in place the State Use Board needs to follow when setting aside a contract. They would not be able to take action if it went against competitive requirements under federal law or regulations.

LRB-0362/2 is not needed. What is needed is to ensure that current legislation is followed by all state agencies.

John Bloor, President
N.E.W. Curative Rehabilitation, Inc.

February 22, 1999

Rationale for investing \$2.4 million in additional GPR to provide statewide access to employment and training opportunities for people with disabilities

1. Third party agreements can provide new ways to serve people with the most significant disabilities (e.g. the Pathways to Independence Project) or these agreements can be used to create more effective services for specific disability groups with very high unemployment rates (e.g. contracts with counties serving persons with mental illness).

The third party funded agreements for new or expanded patterns of service can be a win-win for clients, public-funded partners, service providers, and yes, even for the taxpayer. However, there is a "cost factor" to these agreements which at a critical-mass point, turns the win-win into a losing proposition for persons with disabilities, service providers, the public partners and even the taxpayer. The only "true" and long-term win for all of the parties involved is to have employment and training services, which culminate in a meaningful employment opportunity for a person with a disability.

2. SRPAC and SILC advisors recommend that not more than 15% of the DVR case aids budget (\$8,410,400 of the \$56,069,200 over 2 years) should be used for third party agreements. The percentage of services funded through third party agreements will reach 29.7% by SFY 00, based on the Governor's budget proposal.

The percentage of funding depleted from the discretionary case aids and shifted into third party agreements has risen from 2.6% in FFY 92 to 29.7% in SFY 00. The intent of third party agreements is to serve as "innovation and expansion" funding. It has become a "maintenance" funding mechanism for contracts that may or may not meet the needs of DVR consumers. DVR should evaluate the agreements, determine which services are effective, and fund them with discretionary aids. New service needs could then be funded with third party match and it would prevent funding dependency on the part of the provider.

The Councils believe that not more than 15% of the case aids budget should be designated to third party agreements for the following reasons:

- 1) Third party agreements “serve a few” (1,354 people in 1997) while the case services budget serves “many” (23,035 people in 1997). In addition to the third party agreement services, those participants are eligible and receive funding from the case service budget (e.g. transportation costs to attend the third party services, tuition assistance for college and technical college).

The Department believes that the types of services drive the higher cost in the agreements. The fact remains that the average dollar amount spent on a case referred to DVR for third party services is significantly more than what is spent on a general referral. The third party service may be very valuable, but it did not replace the need for the GPR funded case service dollars.

3. The higher cost third party agreements (e.g. Pathways to Independence Pilot) may develop state of the art services for people with significant barriers to employment. By reducing the GPR funding for traditional client services and using those funds in third party agreements, the effect across the DVR client population is one of “have and have-nots.”

The available DVR case service funds must be expended in an equitable manner among all eligible clients. The federal law requires that DVR may only limit services by severity of disability, not by type of disability or by funding stream limitations. When inequities exist and the resources are not available to adequately serve everyone who is eligible, DVR is required to use the Order of Selection and create waiting lists among those with less severe disabilities.

Due to funding shortages in the discretionary case aids budget (GPR matched funds), a 1998 federal audit found that all eligible clients were not adequately served. Wisconsin DVR is now required to provide a plan and assurances that there will be sufficient resources available in 1999 – 2000 to serve “all eligible clients” or close more OOS categories.

The Councils believe that the State of Wisconsin must make a commitment of \$2.4 million in GPR to the discretionary case services budget or it must direct DVR to stop serving new referrals with less severe disabilities.

4. The DVR discretionary case services budget has run into serious difficulty on two occasions in the last biennium. DWD provided \$2,780,954 in Social Security Reimbursement funds to address a projected deficit in February 1998. The

Department provided another \$422,100 in GPR as match through the 1310 process in September to restore \$2.2 million to the case services budget.

Given that the state needed to take these measures at match levels of 15% - 18%, the Councils believe that the match level should be capped at 15%. The percentage mix needs to be studied carefully over the biennium to determine the impact on the statewide delivery of services. **A 15/85% mix in the total case aids budget should be considered the maximum that the service delivery system can manage until the impact has been studied.**

5. The Councils are aware that Wisconsin lapsed \$1.3 million over 3 years. Losing federal dollars is not good business and does not serve us well as we try to move people with significant disabilities into the workforce. We believe the nature of third party agreements makes it difficult to manage. These agreements "project" spending and clients to be served for a year and the federal funds are "committed" to the project. DVR serves 20 – 30,000 individuals each year. To expect to match service needs, disabilities, and geographic location for any more than 15% of that population sounds very unreasonable to those of us who live and work with disability issues.

The GPR investment of \$2.4 million over the biennium to the DVR case services budget will provide:

\$9.67 million in discretionary spending for job site accommodations, job training, and placement services on the local level throughout Wisconsin

Additional equity in resource distribution by adding \$9.67 million for employment plans for over 19,000 clients not served in third party agreements

For every VR client who is also an SSI/SSDI recipient, who achieves substantial, gainful employment:

A 100% return of the state and federal dollar invested in the rehabilitation services to the State of Wisconsin DWD via the Social Security Reimbursement Program (999 funds).

Revenue from new or expanded taxes on earnings and purchases (ie. income and sales tax)



MANITOWOC COUNTY
OFFICE OF THE COUNTY BOARD CHAIRPERSON

1110 South Ninth Street
Manitowoc, WI 54220-5374

TELEPHONE: (920) 683-4065 ◦ TTY: (920) 683-5168 ◦ FAX: (920) 683-4499

March 24, 1999

RE: Governor's 1999-2001 biennial budget

The Honorable Members of the Joint Committee on Finance:

FUNDING FOR HEALTH AND HUMAN SERVICES:

The Manitowoc County Board of Supervisors is very committed to providing for the health and human services needs of its residents. The 1999 Manitowoc County Budget of \$59,070,973 appropriates almost 50% or \$29,461,779 to important Health and Human Services activities. The Manitowoc County Board of Supervisors is dismayed about the State's cutting back from its commitment of funding of programs for these populations. While 16% of the County's residents are age 65 or older, we are alarmed that education and state correctional facilities are receiving 2/3rds funding while the elderly programs receive meager increases, if any at all.

MANITOWOC COUNTY HEALTH CARE CENTER

Our County run Health Care Center is currently short staffed by seven Certified Nursing Assistants (FTE's) and as a result the County has had to halt admissions. The Health Care Center is a safety-net and accepts residents that no other nursing home in the County will accept due to their developmental disability and or complex socio-psycho behavioral problems. There are nine people on a waiting list since admissions were halted two weeks ago. An area physician came to the director and pleaded with him to admit a patient. **A 1% INCREASE IN FUNDING FOR NURSING HOMES DOES NOT ADDRESS THE SHORTAGE OF CERTIFIED NURSING ASSISTANTS.** Likewise, home health care workers and personal care workers also only receive a 1% increase in funding in the proposed state budget. We strongly urge you to incorporate a wage pass-through to address the shortage of health care workers. We believe this needs to be addressed immediately.

FAMILY CARE NEEDED

We applaud the State for its efforts in long term care redesign and the flexibility and choice that "Family Care" affords consumers. The budget allows for funding of 14 pilots for the next two

years but does nothing to address any other county's ability to serve additional people. Manitowoc County currently has a waiting list of 70 people on its Community Options Program. That means these people may have to go without the services they need for more than two years. Since the County Health Care Center has halted admissions and there are very few beds available in other facilities, a nursing home is not even a choice anymore.

BE COURAGEOUS

We ask that you not sit back and wait to study the pilot projects for the next two years. We feel that we cannot allow the State to let long term care become a greater problem in Manitowoc County than it currently is. The elderly in every part of the State deserve quality care and care on a timely basis. We would like to see Medical Assistance become an entitlement for Assisted Living Facilities and Home Health Care.

MANITOWOC COUNTY'S TRANSPORTATION PROGRAM FOR THE ELDERLY AND DISABLED

Manitowoc County provided over 50,000 rides covering 329,540 miles for the elderly and disabled people in 1998. Our County received \$115,000 to provide these rides. Although fares and donations are collected, our county still needed to provide nearly \$80,000 of property tax dollars to the program. The meager 3% increase proposed by the Governor will result in just over \$3,000 for Manitowoc County. The Department of Transportation continues to encourage Counties to look at their current transportation program and develop shared ride programs or other transportation means that would work cooperatively with industries to transport employees to a worksite. Expansion of programs many times requires more capital equipment and staff to organize an expansion effort. This all requires up-front dollars to accomplish. This program is a small portion of the transportation budget (.5%). A 100% increase in this budget would allow counties to accomplish the DOT's goal and help to save the life of roads and reduce this portion of the transportation budget.

THE ELDERLY - THE FASTEST GROWING POPULATION

As the elderly population continues to be the fastest growing segment of individuals in not only our County, but also in the State, we feel its time to take a look at increasing funding to programs that assist people and allow them to remain in their homes, thus reducing the cost to Medical Assistance. While we see the elderly nutrition program serving more meals to home-bound individuals and rapidly growing, government funding has not kept pace with the growing needs of this program. In 1998, Manitowoc County delivered 67,677 meals to 771 homebound individuals throughout the County. Our Title III funds for home-delivered meals was \$33,939. Adding that to the USDA reimbursement of .56¢ per meal and dropping every year, our County received a total of \$71,886 or a subsidy of \$1.06 per meal. The cost of actually preparing and delivering these meals is close to \$4.75 per meal. To break even, we have to receive a \$3.69 donation for each meal from the individuals being served.

Testimony on the Governor's 1999-2001 Biennial Budget
Manitowoc County
March 24, 1999

We're asking that you seriously look at the health and humans service needs of all of the residents of the great state of Wisconsin. Please amend the Governor's biennial budget and appropriate the funds to address these important needs. Thank you.

Sincerely,



Donald C. Markwardt
County Board Chairman

c:

Judy Rank, Director, Aging Resource Center
Chair and Members, Natural Resources and Education Committee
WCA Health & Human Services Steering Committee
Robert Ziegelbauer, State Representative, District 25
Frank Lasee, State Representative, District 2
Allan Lasee, State Senator, District 1
James Baumgart, State Senator, District 9

C:\Corel\Suite8\STATEGVT\99Public Hearing.wpd March 23, 1999 (2:43PM)

DELIVERY OF VOCATIONAL REHABILITATION SERVICES IN WISCONSIN

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ISSUE STATEMENT:

The Wisconsin legislature has reduced DVR matching funds by \$1 million in the previous two biennia. This has meant a large increase in "third party" match contracts, which tends to reduce the flexibility needed to purchase services which fit the individual needs of consumers.

An additional issue is the ability of DVR to attract and keep qualified rehabilitation counselors. Wages paid for state VR counselors have not kept pace with other VR agencies in neighboring states and with private sector employers in Wisconsin.

BACKGROUND:

The Wisconsin Division of Vocational Rehabilitation (DVR) provides employment-related services to over 30,000 persons with disabilities annually. Services are provided by 200 professional rehabilitation counselors through district offices and job centers statewide. Consumers also have access to over 200 contracted local agencies with DVR funds. DVR is funded by the Rehabilitation Act, which is now Title IV of the Workforce Investment Act of 1998.

DVR funding is 78.7% federal and 21.3% state. If state funds are inadequate to match the federal allotment, DVR may secure this funding from other government units and private agencies, although significant restrictions apply. Congressional intent is that states fund the VR program directly.

Currently, DVR has about 20% of its case service budget devoted to third party funding. This percentage will increase to over 30% by July, 2001 if no additional state funds are appropriated in 1999.

The expansion of third party funding comes at the expense of consumer choice and equitable distribution of resources statewide - areas which are already rich in funding are the ones that are most likely to get these projects. On the other hand, state general purpose revenue (GPR) funds allow maximum flexibility for consumers and counselors to match services to individual needs.

VR counselors in neighboring states and in Wisconsin's private sector typically earn \$5,000 to \$10,000 more than DVR staff annually. VR counselors are represented by the Professional Social Services bargaining unit of the Wisconsin State Employees Union. Contract discussions with the state Department of Employment Relations begin in early 1999.

POSITION:

We support constructive steps toward the integration of employment services to improve efficiency and expand access to employment for job seekers. We also support adequate funding for vocational rehabilitation services for those who require them. This includes increased state funding to match allotted federal dollars as well as adequate allocation of funds to hire and retain qualified rehabilitation counselors.

- As recommended by the State Rehabilitation Advisory Council, sufficient GPR matching funds should be allocated to contain third party funding to no more than 15% of the DVR case aids budget. Any third party cooperative agreements and establishment grant contracts will be based on identified consumer needs as required in the Rehabilitation Act. Any other contributed funds arrangements will need to be approved by the federal Rehabilitation Services Administration.
- If DVR is unable, through its best efforts, to obtain adequate state and third party funds to match its federal allotment, it will need to further restrict services by serving only those with more severe disabilities through its order of selection. This may mean that as many as 3,000 eligible individuals will be put on a waiting list annually. The current waiting list is 500 individuals per year since 1994.

ORGANIZATIONS:

Access to Independence - Deaf and Hard of Hearing Services
Alliance for Deaf, Deaf-Blind & Hard of Hearing
The Arc-Wisconsin
Autism Society of Wisconsin
Brain Injury Association of Wisconsin
Client Assistance Program
Easter Seals Wisconsin
IndependenceFirst
NAMI - Wisconsin
National Multiple Sclerosis Society - WI Chapter
Parent Education Project of Wisconsin, Inc.
Rehabilitation For Wisconsin, Inc.
State Independent Living Council
State Rehabilitation Council
United Cerebral Palsy of SE Wisconsin
United Cerebral Palsy of Wisconsin
Wisconsin Coalition for Advocacy, Inc.
Wisconsin Council for Persons with Physical Disabilities
Wisconsin Council on Developmental Disabilities
Wisconsin Rehabilitation Association

DELIVERY OF VOCATIONAL REHABILITATION SERVICES IN WISCONSIN

- Appropriate personnel classification by the state Department of Employment Relations is needed to achieve competitive pay levels for DVR counselors.
- DVR must continue efforts to implement the Rehabilitation Act amendments of 1998 which include automatic eligibility for SSI and SSDI recipients willing to work and increased consumer choice - including the choice of services, providers and purchasing methods. Any social security reimbursement dollars should be used for VR program enhancement.
- Strong consumer representation in program oversight now includes the State Rehabilitation Planning Advisory Council as an equal partner in identifying DVR service needs, setting annual performance goals and evaluating the results. The council now has co-signatory authority for DVR's state plan. This authority should continue in order to provide an adequate level of consumer control of the program and its use of public dollars.
- The job centers being developed statewide should include on-site DVR services and, to the extent possible, local rehabilitation providers. Co-location of VR staff should include full program and site accessibility, confidentiality, and cost-effectiveness. DVR needs to take a leadership role in the Department of Workforce Development to assure that DVR consumers as well as all disabled job seekers can benefit from the one-stop system.
- DVR's current reengineering efforts should continue to support more efficient service delivery consistent with the requirements for consumer choice in the Rehabilitation Act. We support its efforts to streamline purchasing approvals and reduce paperwork for staff.
- DVR should continue to provide access to a full range of specialized rehabilitation services including, but not limited to: rehabilitation counseling, vocational evaluation, rehabilitation technology, work site modification, work hardening and adjustment, individual job development, customized job matching, placement and follow-up, short-term job coaching, supported employment and support services such as interpreters, note takers, and disability-specific adjustment services.

ACTION REQUIRED:

- 1) Urge the Governor and Joint Finance to provide matching funds to the VR program to eliminate the need for third party funding arrangements or at least keep them at a manageable level and in balance with consumer needs. Third party funding arrangements should not exceed 15% of the DVR case service budget.
- 2) DVR counselors need to get involved with their union to bring the salary issue to the bargaining table. Colleagues in other counseling positions should support them through their professional organizations.
- 3) Urge DVR administration to continue its leadership role in the one-stop system to assure that people with disabilities are well served.
- 4) Seek revisions to Chapter 47 of state statutes to contain third party funding to no more than 15% of the VR case aids budget and to return social security reimbursement funds to the program.

CAP Position on Funding for DVR Client Services

Linda Vegoe, CAP Coordinator

The strength of DVR has been its ability to provide individualized services. An individual with a disability comes to DVR, regardless of the type of disability, works on an employment plan, and receives funding help for the services listed in the plan.

Wisconsin has been using this same model and applying it to new programs. The Community Options Program develops a plan with an individual, based on their needs, not their disability or funding source.

W-2 develops a plan of services that is individualized to assist each person with the services needed to become employed.

Family Care is designed to dismantle all the funding sources and eligibility criteria and develop one system that meets individualized needs.

Wisconsin is a leader in getting away from "categorical" aids and moving to individualized services coming out of one pot of funds. Third party match funding turns DVR into categorical aids. The 3rd party agreements serve specific disabilities or they provide specific services. (i.e. You can't buy a prosthesis with the disability support services at a college.)

As a larger percentage of DVR services are funded through 3rd party, the state is creating the problem for DVR consumers that it is working to solve in Long Term Care. Wisconsin has moved from providing flexible employment services for individuals to attempting to match thousands of people with disabilities to the eligibility criteria of service agreements.

Please allow DVR to return to a program of flexible funding for individualized services.

CAP Position: Our state needs to add \$2.4 million in GPR over the biennium to reduce the percentage of categorical services (3rd party) to 15%.

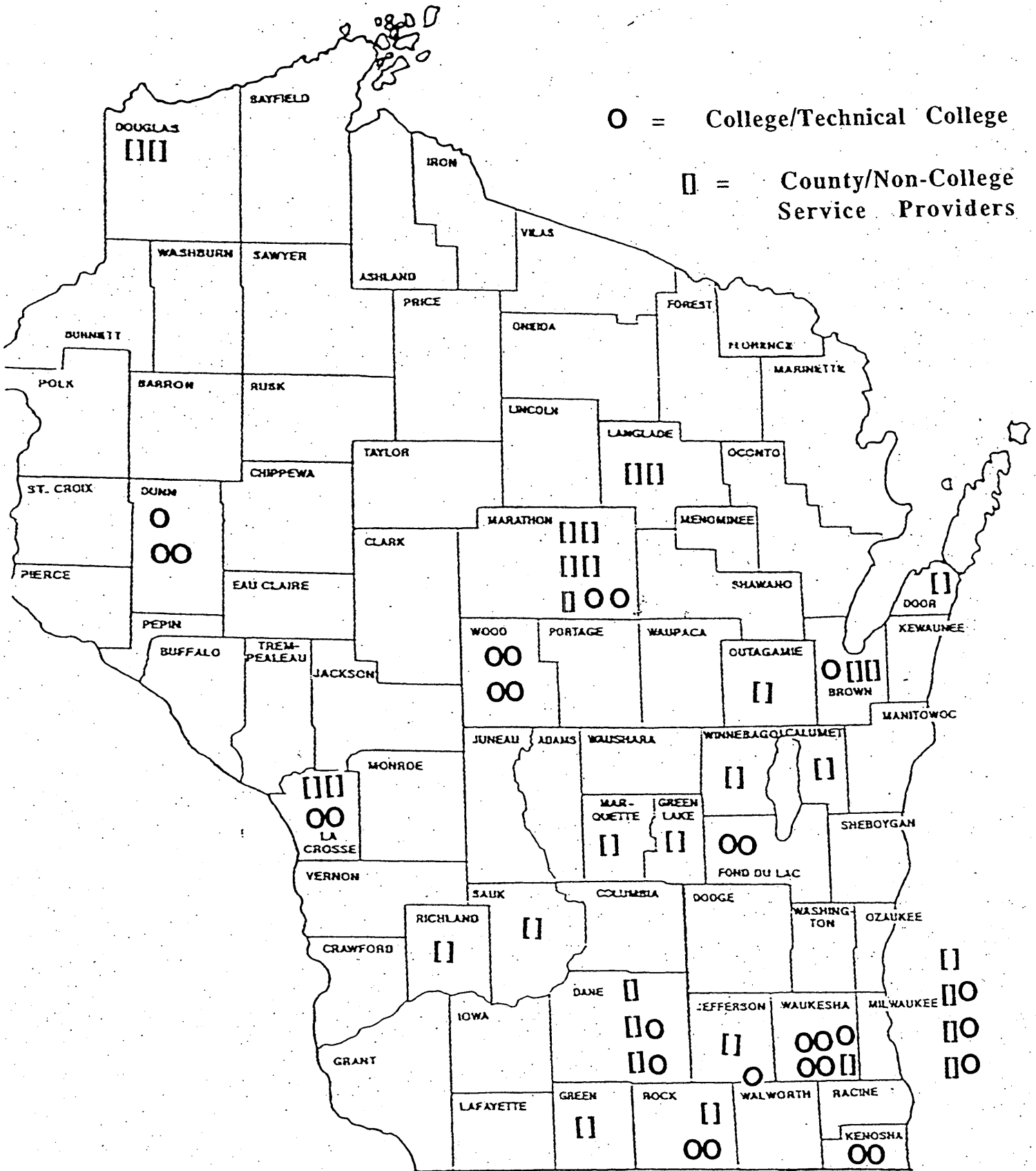
DVR Budget for Consumer Services (Individual & Categorical)

Year	Discretionary Case Services (Individual purchases by Counselors)	Third Party Services (via County/State Agreements)	Total
96	\$27,338,150.	\$3,263,481.	\$30,601,631.
97	\$29,993,344.	\$3,130,073.	\$33,123,417.
98	\$25,934,290.	\$5,583,439.	\$31,517,729.
99	\$26,420,690.	\$6,790,864.	\$33,211,554.
00	\$25,092,958.	\$8,426,028.	\$33,518,986.

Expenditures for Services for DVR Consumers

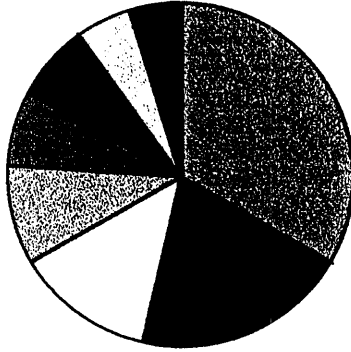
Year	Expenditures	Consumers	Average per Person	3rd party Average per person
96	\$30,016,402.06	20,416	\$1,470.24	\$2,178.
97	\$35,118,090.13	23,035	\$1,524.55	\$2,309.
98	\$30,927,857.81	22,479	\$1,375.86	unavailable

Location of Third (3rd) Party Agreement Service Providers



Wisconsin DUR
Based on total persons
served during FFY 97:
35,532

Disability Types



- Orthopedic - 33%
- Mental Illnesses - 20%
- Learning Disabilities - 13%
- Other Physical - 9%
- Alcoholism/Drug Abuse - 7%
- Cognitive Disability - 7%
- Deaf/Hearing Impaired - 5%
- Blind/Visually Impaired - 4%
- Brain Injuries - 1%

**State Rehabilitation Council
State Independent Living Council
Client Assistance Program**

Request for a minimum of \$2.4 million in GPR to be restored to the
DVR Case Services Budget

Charlene Dwyer	Previous Chairperson of the State Rehabilitation Council (SRC)
Fred Greasby	Chairperson of the State Independent Living Council (SILC)
Dale Block	Vice Chair of the State Rehabilitation Council and the State Independent Living Council
Linda Vegoe	Coordinator of the Client Assistance Program (CAP)

Description of Packet Information

LEFT

RIGHT

DVR process & when services occur in the process	Delivery of VR Services in Wisconsin (Position statement of 20 organizations)
CAP Position on Funding for VR Services	Rationale for investing \$2.4 million in VR
DVR Budgets for Consumer Services	Excerpt from Dept. of Ed. Draft Report
3 rd Party Services in WI – map	Legis. Fiscal Bureau report on 1310 request for last year’s DVR budget
Chart of Disabilities Served by DVR	DWD 1310 for funds for DVR budget
Chart of 3 rd Party Services	ABLE Coalition position on employment (see page 3)
Comparison of services (GPR vs. 3 rd Party)	Milwaukee Journal Sentinel article
Comparison of costs: GPR vs. 3 rd Party	Milwaukee Business Journal article
Average GPR funded job placement: \$517	
3 rd Party Job Creation: \$5 – 10,000 per job	

THE DVR PROCESS

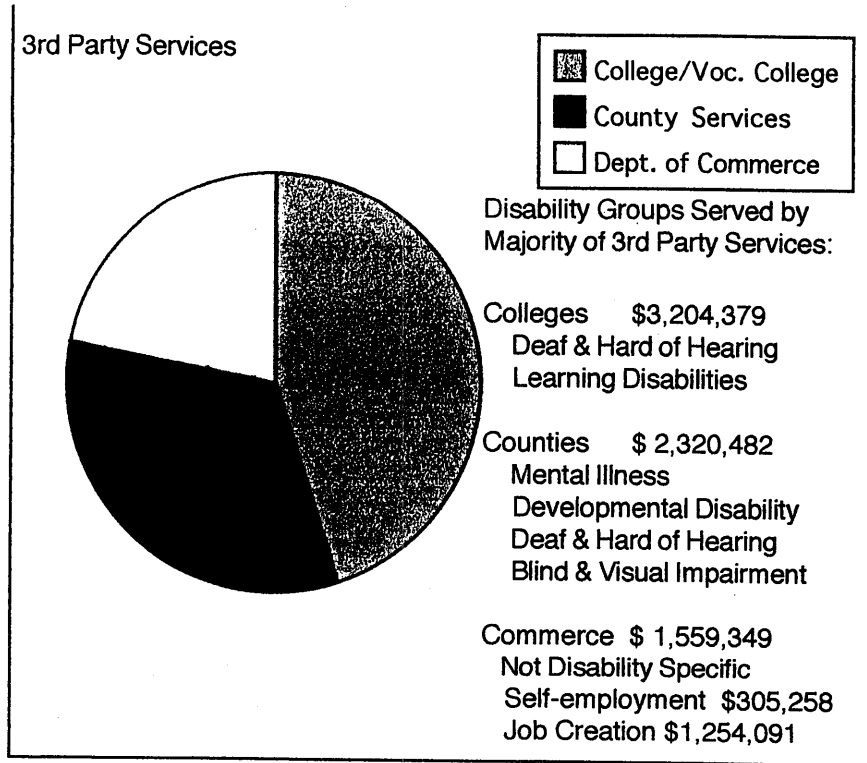
ELIGIBILITY	ASSESSMENT	PLAN DEVELOPMENT	EMPLOYMENT	CLOSURE
<p>Your disability is stopping you from getting or keeping a job that is suited to your abilities.</p> <p>You require DVR's help to deal with the limitations caused by your disability.</p>	<p>How is your disability stopping you from getting or keeping a job that suits your abilities? What can be done about it?</p> <p>Find information on your abilities and jobs suited to your abilities.</p>	<p>Write and sign a plan that lists:</p> <ol style="list-style-type: none"> 1. How you will deal with your disability (i.e. treatment, medication, technology, job site modification). 2. Your job goal. 3. The services or training needed to be qualified for your job goal. 	<p>You will seek jobs in your chosen field or ask DVR for help from a job placement specialist.</p>	<p>After 90 days on the job, DVR will close your file.</p> <p>If you need help in the future, you can apply again.</p>

DVR Services and When They Occur in the Process (List attached)

<p>1, 2, 3, 7, 8, 10, 14</p>	<p>6, 7, 8, 10, 13, 14, 15, 17</p>	<p>4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17</p>	<p>4, 8, 10, 12, 14, 16</p>	<p>18</p>
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1. Assessment eligibility;
2. Counseling and guidance;
3. referral to needed services from other agencies;
4. job search and placement assistance;
5. vocational and other training services;
6. diagnosis and treatment of physical and mental impairments, including:
 - a. corrective surgery or therapeutic treatment;
 - b. hospitalization in connection with surgery or treatment;
 - c. prosthetic and orthotic devices;
 - d. eyeglasses and visual services;
 - e. special services (including transplantation and dialysis);
 - f. diagnosis and treatment for mental and emotional disorders;
7. maintenance for additional costs (caused by attending DVR services);
8. transportation costs connected to attending services and seeking employment;
9. on-the-job or personal assistance services;
10. interpreter services;
11. rehabilitation teaching services;
12. occupational licenses, tools, equipment, and initial stocks and supplies;
13. technical assistance to develop business plan for self-employment;
14. rehabilitation technology;
15. transition services for students with disabilities;
16. supported employment services;
17. services to the family of an individual with a disability;
18. post-employment services.

3rd Party Services



3RD PARTY COOPERATION AGREEMENTS

COLLEGES

- Student Supports - 6
- Interpreting - 7
- Work Experience - 6
- Waukesha Training Programs - 2
- School to Work - 1
- Vocational Evaluations/Assessments - 5

COUNTY

- Work Experience - 2
- Supported Employment - 9
- CSP/MI - 12
- Deaf/Blind (Milwaukee) - 1
- Blind - 1
- School to Work - 2
- Transition - 1
- Benefits Counseling - 2
- Deaf & Hard of Hearing - 1

WI CORRECTIONAL SERVICE

(\$48,750)

DEPARTMENT OF COMMERCE

Job Creation - \$1,254,091

Self Employment - \$305,258

Services purchased with the (GPR match) Case Services Budget

Services purchased with 3rd party match agreements for FFY 98-99

Medical assessments of disability
 Vocational Evaluations
 Transportation to and from: evaluations, assessments, college classes, community rehab. facilities, job seeking
 Vocational College Tuition/Books
 Job Placement Services
 Psychological Testing (aptitude, etc.)
 College Tuition/Books
 Child care during evaluations, training or job seeking
 Personal care/attendant services
 Psychiatric treatment (work related)
 Assistive technology
 Vehicle modification (lift, hand controls)
 Work site modifications
 Supported Employment training
 Work Adjustment Training
 Prosthetic Appliances
 Hearing Aids

Student support services (college) (6)
 Interpreting services (college) (7)
 College work-experience (6)
 Work-experience (2)
 Job services (Mentally Ill) (12)
 Job services (Deaf/Blind) (1)
 Job services (Deaf/HH) (1)
 Job services (Blind) (1)
 Transition to Employment (1)
 Supported Employment (DD) (9)
 School to Work (high school) (3)
 Technology Assessments (1)
 Vocational Evaluation (4)
 Benefits Specialist (2)
 Nursing Assistant Program (1)
 Office Aide Program (1)

3rd party match services do not replace the services that are used by the largest number of DDR consumers.

3rd party match services bring new referrals to DDR. Those new referrals receive GPR funded services as well as 3rd party match services.

As the percentage of 3rd party services increases, there are fewer dollars available for those who need services that cannot be provided by a 3rd party contract. Examples include:

- Disability evaluations for 5,781 people**
- Occupational Equipment for 1,820 people**
- Prosthesis for employment for 646 people**
- Hearing aids for 343 people**
- College tuition for 1,870**
- Vocational college tuition for 2,681**
- Transportation costs for 8,893**

**Analysis of Cost per Rehabilitation
Controlling for Severity of Disability by Order of Selection Category
Consumers Receiving Third Party Services vs. Other DVR Consumers**

OOS CATEGORY	Some		No		All		Average Cost per Case
	Third Party	Average Cost per Case	Third Party	Average Cost per Case	Third Party	Average Cost per Case	
A - 3+ SEVERE LIMITATIONS + SD	65	\$ 4,573	574	\$ 3,461	639	\$ 3,574	
B - 2 SEVERE LIMITATIONS + SD	23	\$ 7,443	540	\$ 2,838	563	\$ 3,026	
C - 1 SEVERE LIMITATION + SD	17	\$ 3,785	618	\$ 2,673	635	\$ 2,702	
D - 4+ SEVERE LIMITATIONS NOT SD	6	\$ 3,222	43	\$ 1,519	49	\$ 1,727	
E - 1-3 SEVERE LIMITATIONS NOT SD	12	\$ 5,195	591	\$ 2,344	603	\$ 2,401	
F - 4-7 NON-SEVERE LIMITATIONS	4	\$ 9,324	167	\$ 2,188	171	\$ 2,355	
G - 1-3 NON-SEVERE LIMITATIONS	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Total	127	\$ 5,132	2,533	\$ 2,758	2,660	\$ 2,872	

Source: DWD/DVRR/TH/Impact3P.xls - 2/5/98

**TOTAL STATEWIDE CASE SERVICE EXPENDITURES
WITH CASES WHERE DOLLARS WERE SPENT AND AVERAGE PER CASE
FOR FEDERAL FISCAL YEAR 1998
SAS PROGRAM: POSCSDOL BY: RICK HALL**

EXPENDITURES	NUMBER OF CLIENTS	AVERAGE PER CLIENT
\$30,016,402.06	20,416	\$1,470.24


**STATEWIDE CASE SERVICE EXPENDITURES BY CASE SERVICE CODE
WITH CASES WHERE DOLLARS WERE SPENT AND AVERAGE PER CASE
FOR FEDERAL FISCAL YEAR 1998**

CASE SERVICE	EXPENDITURES	PERCENT	NUMBER OF CLIENTS	AVERAGE PER CLIENT
0A CHILD CARE - DIAGNOSTIC EVALUATION	\$5,905.70	0.0	34	\$173.70
01 MEDICAL EVALUATION	\$562,438.35	1.9	5,781	\$97.29
02 PSYCHOLOGICAL EVALUATION	\$435,204.61	1.4	1,664	\$261.54
03 VOCATIONAL EVALUATION	\$1,467,387.26	4.9	3,907	\$375.58
04 DIAGNOSTIC MAINTENANCE	\$96,652.66	0.3	993	\$97.33
05 DIAGNOSTIC TRANSPORTATION	\$146,578.45	0.5	2,241	\$65.41
06 REHAB ENGINEERING EVALUATION	\$195,398.92	0.7	274	\$713.13
07 ATTENDANT CARE - EVALUATION	\$5,296.58	0.0	19	\$278.77
08 INTERP/READER SVCS - EVAL	\$11,920.18	0.0	71	\$167.89
09 OTHER EVALUATION	\$486,391.94	1.6	1,016	\$478.73
10 MEDICAL TREATMENT	\$314,319.00	1.0	511	\$615.11
11 PSYCHIATRIC TREATMENT	\$93,810.89	0.3	169	\$555.09
12 PROSTHETIC APPLIANCES	\$435,862.05	1.5	646	\$674.71
13 HEARING AIDS	\$356,402.09	1.2	343	\$1,039.07
14 HOSPITAL CARE	\$2,011.55	0.0	5	\$402.31
15 MOBILITY TRAINING	\$46,998.00	0.2	49	\$959.14
16 REHAB ENGINEERING	\$844,606.16	2.8	389	\$2,171.22
17 ATTENDANT CARE - IWRP	\$132,260.58	0.4	81	\$1,632.85
18 INTERP/READER SVCS - IWRP	\$1,453,236.41	4.8	602	\$2,414.01
19 OTHER RESTORATIVE SERVICES	\$85,156.33	0.3	145	\$587.29
20 COLLEGE	\$3,664,026.64	12.2	1,870	\$1,959.37
21 ELEMENTARY OR HIGH SCHOOL	\$8,949.35	0.0	16	\$559.33
22 PRIVATE VOCATIONAL SCHOOL	\$496,519.98	1.7	314	\$1,581.27
23 PUBLIC VOCATIONAL SCHOOL	\$2,385,218.89	7.9	2,681	\$889.68
24 ON THE JOB TRAINING	\$119,770.50	0.4	149	\$803.83
25 WORK ADJUSTMENT TRAINING	\$614,721.24	2.0	698	\$880.69
26 OCCUPATIONAL SKILL TRAINING	\$495,308.07	1.7	423	\$1,170.94
27 DVR HOMECRAFT TRAINING	\$636,376.43	2.1	457	\$1,392.51
28	\$135,515.99	0.5	28	\$4,839.86
29 OTHER TRAINING SERVICES	\$2,449,775.68	8.2	2,118	\$1,156.65
30 PRIMARY SERVICES MAINTENANCE	\$54,641.80	0.2	152	\$359.49
31 PRIMARY SERVICES TRANSPORTATION	\$213,314.44	0.7	572	\$372.93
32 PHYSICAL RESTORATION MAINTENANCE	\$4,413.09	0.0	7	\$630.44
33 VEHICLE PURCHASE OR MODIFICATION	\$516,677.75	1.7	102	\$5,065.47
34 CHILD CARE IN SUPPORT OF IWRP	\$577,859.07	1.9	439	\$1,316.31
36 VTAE MAINTENANCE	\$476,908.34	1.6	728	\$655.09
37 COLLEGE MAINTENANCE	\$579,461.49	1.9	552	\$1,049.75
38 REHAB FACILITY MAINTENANCE	\$83,733.78	0.3	343	\$244.12
40 OCCUPATIONAL EQUIPMENT PURCHASE	\$1,405,609.08	4.7	1,820	\$772.31
41 OTHER GOODS AND SERVICES	\$1,268,661.52	4.2	1,621	\$782.64
42 JOB PLACEMENT SERVICES	\$1,324,319.52	4.4	2,560	\$517.31
43 JOB CREATION	\$133,761.76	0.4	48	\$2,786.70
44 JOBS THROUGH WORKSITE MODIFICATION	\$345.00	0.0	2	\$172.50
50 SUPPORTED EMPLOYMENT - ASSESSMENT	\$313,147.68	1.0	553	\$566.27
51 SUPPORTED EMPLOYMENT - TRAINING	\$1,083,466.22	3.6	764	\$1,418.15
52 SUPPORTED EMPLOYMENT - JOB PLACEMENT	\$643,633.44	2.1	689	\$934.16
53 SUPP EMP - TRANSITIONAL EMPLOYMENT	\$473,196.23	1.6	273	\$1,733.32
71 TRANSPORTATION-VOC TECH, HIGH SCHOOL	\$1,089,355.59	3.6	1,855	\$587.25
72 TRANSPORTATION - COLLEGE	\$674,980.68	2.2	871	\$774.95
73 TRANSPORTATION - REHAB FACIL TRNG	\$179,974.76	0.6	1,062	\$169.47
74 TRANSPORTATION - PLACEMENT	\$568,838.88	1.9	2,292	\$248.18
75 MAINTENANCE - PLACEMENT	\$119,126.41	0.4	464	\$256.74

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Department of Commerce

COMMERCE/DVR JOB CREATION PROGRAM

- Contact:** Wisconsin Department of Commerce
Bureau of Minority Business Development
Job Creation Program
101 W. Pleasant Street, Suite 100A
Milwaukee, WI 53212-3963
Telephone: 414/220-5360 or 608/266-8381
Fax: 414/382-1754
- Purpose:** Increase employment opportunities for Division of Vocational Rehabilitation (DVR) clients by providing equipment grants, technical assistance grants, customized technical assistance and other assistance to companies that will hire persons with disabilities
- Eligibility:** Wisconsin companies that are planning to expand and will hire DVR clients as part of the expansion.
- Advantage:** The Commerce/DVR Job Creation Program offers several advantages to companies looking to expand. First, companies will gain access to qualified employees through the offices of DVR and receive assistance in integrating employees with disabilities into the workforce.
- Finance Type:** Grant award with hiring requirements.
- Use of Funds:** Technical assistance, equipment, machinery, specialized training and appropriate accommodations.
- Financing Parameters:**
- Interest:** Not applicable.
- Repayment:** Repayment not required if hiring conditions are met.
- Amount Available:** The size of equipment and machinery grants will be based on the number and quality of jobs created for DVR clients. It is expected that equipment and machinery grants will range from \$5,000 to \$10,000 per job created. Technical assistance grants will no 
- Fees:** None
- Collateral:** Equipment and machinery purchased with grant funds will be used as collateral to ensure hiring conditions are met.
- To Apply:** Companies interested in applying should contact the Commerce/DVR Job Creation Program at 414/220-5360 for additional information.

**Legislative Fiscal Bureau**

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

September 24, 1998

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Workforce Development: Section 13.10 request to Transfer Funding to the Division of Vocational Rehabilitation Client Services Appropriation - Agenda Item XIV

The Department of Workforce Development (DWD) requests the transfer of \$338,500 GPR from the reserve in the Joint Committee on Finance's GPR appropriation [20.865(4)(a)] and \$83,600 GPR from the Department's Division of Vocational Rehabilitation (DVR) general program operations appropriation [20.445(5)(a)] to the Division's purchased services for clients appropriation [20.445(5)(bm)] in 1998-99.

BACKGROUND

Under current law, DVR is required to advise and assist any disabled individual who applies to DVR for vocational rehabilitation services. Rehabilitation services provided by Division staff include individual assessments and evaluations, developing individualized rehabilitation programs, obtaining physical and psychiatric treatment, and securing and supervising other services, such as vocational training, that are part of an individual's vocational rehabilitation program. The individual rehabilitation programs are designed to assist the person to become capable to compete in the labor market, practice a profession, be self-employed, raise a family and make a home, and participate in sheltered employment or other gainful work.

Under Title I-B of the federal Vocational Rehabilitation Act, state funding of 21.3% is required as a match to federal funding of 78.7% for vocational rehabilitation services which move a disabled person toward employment.

ANALYSIS

Disabled individuals apply for services at one of the 21 DVR field offices and staff counselors arrange medical, psychological and vocational evaluations to determine eligibility and for subsequent rehabilitation services for those deemed eligible. The field staff develop individual rehabilitation plans, provide guidance and counseling, and in some cases, job placement services. Other services that are provided can include medical treatment, transportation, training and education at technical schools, and occupational licenses, tools, equipment and supplies. DVR counselors purchase required services and materials for individual clients from local vendors.

DVR also provides for certain rehabilitation services that are needed for individual rehabilitation plans through contracts with other governmental agencies. Counselors develop plans for services for individual clients and the plans are reviewed to determine client needs. In certain cases, DVR contracts with governmental units to provide ongoing, new or expanded services based on these client needs. For example, DVR could contract for interpreter or job training services offered by a technical college. The governmental units can contract with private, nonprofit organizations to provide these services. Typically the DVR client is given a purchase order for the services and the agency is reimbursed for services provided.

The primary source of funds for DVR rehabilitation services is Federal Title I-B funds. Each year the federal government allocates a certain amount of these funds to each state. A match of 21.3% state funds to 78.7% federal funds is required to receive federal monies. A state must provide the required amount of matching funds or it will not receive its total federal allotment for that year. This funding is used to provide services to disabled individuals and to cover related administrative and operational expenses. The total amount of Title I-B funds allocated to Wisconsin is \$45,834,500 for federal fiscal year 1998 and \$46,934,750 for federal fiscal year 1999.

State matching funds are provided through DVR program revenue and GPR appropriations and third-party contracts. DVR funding of \$10,390,200 GPR and \$376,500 PR in state fiscal year 1997-98 and \$10,330,400 GPR and \$380,300 PR in state fiscal year 1998-99 was appropriated to match federal Title I-B funds. ^{23.4%}
22.8%

Third-party contracts generally involve an agreement between DVR and another governmental agency. The governmental agency typically agrees to provide a rehabilitation service and the 21.3% in matching funds required to capture the federal funds. As a result, the services that a vocational rehabilitation counselor might otherwise purchase for a client with state GPR funds would be provided through a contract with the third-party agency.

Historically, DVR has used third-party contracts to provide a portion of the state match used to capture federal vocational rehabilitation funds. Often, the third-party governmental agencies can provide general, new or expanded services to DVR clients. However, in recent years, DVR has increased its use of third-party contracts as a source of state matching dollars. The percentage of total client service funding provided through third-party contracts will increase from 2.3% in

federal fiscal year 1992 to an estimated 24.1% in federal fiscal year 1999. A significant factor in the increased reliance on third-party dollars is the reduction of GPR matching funds. In both the 1995-97 and 1997-99 biennial budgets, annual base level GPR funding for client services was reduced by \$500,000. In both cases, DVR increased the amount of third-party matching funds to offset the loss of GPR. As a result, DVR relies on obtaining a certain amount of third-party matching dollars to capture the total amount of federal rehabilitation funds that are allocated to Wisconsin.

The increasing use of third-party matching funds has proven to be controversial. The GPR matching funds that are appropriated to DVR for client services are typically distributed to vocational rehabilitation counselors in the Division's district offices. The counselors use this money to purchase services and materials for individual clients. The decrease in base level GPR funding reduced the amount of funds available for individual counselor budgets. Instead, matching funds from third party contracts was substituted. The provision of some services through contracts with governmental agencies rather than individual purchases can be workable. However, a number of advocates and officials believe there are serious problems with the current situation.

A primary criticism of the use of third-party contracts is that the services that are purchased through the contracts do not always match the needs of individual clients. Also, many of the contracted services are not directed at severely disabled individuals. For example, a contract for interpreter services will not benefit people with orthopedic impairments. In some cases, the services may match individual needs but be provided at a location some distance from the client. In these instances, the transportation costs can further reduce counselor budgets. On the other hand, counselors can often avoid these problems by purchasing individual services and materials with the GPR funding. Many also believe that the GPR reduction caused a temporary shortfall of funding for individual client services earlier this year and led to the temporary denial or delay of services to disabled persons.

Conversely, some have criticized DVR for not fully exploring all possible methods for capturing third-party funding that would match client needs. Federal regulations allow the use of matching funds from cooperative agreements, establishment grants and contributions. DVR has primarily relied on cooperative agreements for third party matching funds. It could be argued that the Division should attempt to obtain matching funds through establishment grants and contributions. However, the Division has entered into a memorandum of agreement with Rehabilitation for Wisconsin to provide matching funds for establishment grants. DVR also attempted to establish an agreement for contributions with Badger Association of the Blind but the federal Rehabilitation Services Administration found that the agreement did not comply with federal regulations.

DWD is requesting the transfer of GPR funding to DVR's client services appropriation. The Department indicates that the current appropriated amount of state GPR and PR funding and expected third party matching funds will not be sufficient to capture the total amount of federal funding allocated to Wisconsin for federal fiscal years 1998 and 1999. The Department does not expect to be able to generate the amount third part matching funds that would be necessary given

the level of GPR and PR funding. In addition, a provision included in the 1997-99 budget gives DVR specific authority to request GPR funding if third-party matching funds are not available to offset the reduction in GPR matching funds. DWD has requested transfer of \$338,500 GPR from the Committee's GPR appropriation and \$83,600 GPR from the DVR's state operations appropriation.

The \$338,500 GPR in the Committee's appropriation was part of a larger amount of 1997-98 funding that was placed in the appropriation in 1997 Wisconsin ACT 27 (the 1997-99 budget) to fund the KIDS computer system. That amount was left in the appropriation after the Committee voted to transfer the remaining balance of KIDS funding at the December 1997, s. 13.101 meeting. The Committee voted to maintain the \$338,500 as a reserve at the June 1998, s.13.101 meeting. DWD now indicates that it does not anticipate using the funding for the KIDS system.

The \$83,600 GPR in DVR's general program operations appropriation is funding that was appropriated to cover the costs of transmitting financial transactions to the state computerized accounting system (WISMART). The method of transmitting the information has changed and the related costs have decreased. As a result, that funding is not needed to pay transmission charges.

In its request, DWD indicates that the total of \$422,100 in GPR funding that would be transferred should be sufficient to provide a match for the state's entire federal allotment of vocational rehabilitation funds for federal fiscal years 1998 and 1999. In addition, the funding would increase DVR's GPR base level funding for client services to increase the amount of GPR matching funds for future years. Since the Department submitted its request, the expected amount of GPR and PR matching funds has changed. As a result, the additional amount of GPR funding that would be required in 1998-99 to provide a sufficient match for federal funds has increased to \$669,800.

The table below shows the Federal allotments and the related matching funds for federal fiscal years 1998 and 1999. The table shows state GPR and PR matching funds and the expected third party matching dollars. Note that the state GPR and PR match are state fiscal year amounts while all other amounts in the table are for federal fiscal years. Also, fiscal year 1998-99 GPR and PR amounts include the expected pay plan and rent supplements. As the table shows, the client services appropriation would need \$669,800 GPR in additional funding in 1998-99 to have sufficient matching funds to capture the entire federal allotments for 1998 and 1999.

157,300) ...
(-93,100) ...

Federal Vocational Rehabilitation Allotment and State Matching Funds*

Fiscal Year	Federal Allotment	Total Required Match	State GPR and PR Matching Funds	Third Party Matching Funds	Additional Required Matching Funds
1998	\$45,834,500	\$12,405,000	\$10,766,700	\$1,245,800	\$392,500 - 1,245,800
1999	46,934,750	12,702,800	10,809,100	1,616,400	277,300 - 1,616,400
Total Additional Required Funding			10,924,000	1,481,000	\$669,800
			10,899,500	1,803,300	

*These are federal fiscal year amounts except for state GPR and PR matching funds which are state fiscal year amounts.

+247,700 = \$1,162,910

+3144,600

As noted, the total amount of additional matching funds required receive to all federal Title I-B funds for 1998 and 1999 is \$669,800 rather than the requested \$422,100. In addition, \$83,600 of the \$422,100 that would be transferred to the client services appropriation would come from the Division's general program operations appropriation which is also used to provide matching funds. Although this funding transfer would increase case services funding, it would not capture additional federal funds. As a result, approval of the Department's request would provide DVR with an additional \$338,500 GPR to offset an expected \$669,800 shortfall in available matching funds.

The table shows that of the total amount of \$669,800 in additional matching funds that are required, \$392,500 is necessary to obtain the full 1998 federal allotment and \$277,300 is required to obtain the 1999 federal allotment. If the Department's request is approved, the \$338,500 GPR that would be transferred from the Committee's GPR appropriation would be used to provide a match for the 1998 federal allotment. DVR would still need \$54,000 to capture the entire 1998 federal allotment and \$277,300 to capture the 1999 allotment. This latter amount indicates that DWD would project a permanent shortfall of matching funds of this magnitude. The actual future shortfalls would depend upon the federal allotment, the amount of third party matching funds and base level GPR and PR matching funds in future years.

DWD staff indicate that the Department will obtain the additional \$54,000 in matching funding for the 1998 federal allotment from state matching funds that would otherwise be used to match the 1999 federal allotment. However, this means that an additional \$54,000 in matching funds or a total of \$331,300 would be required to fully match the state's 1999 allotment of federal vocational rehabilitation funds. The total includes the \$277,300 additional funds needed to match the 1999 allotment plus the \$54,000 that would be shifted to match the 1998 federal allotment. Because federal fiscal year 1999 overlaps the first quarter of state fiscal year 1999-2000, state GPR funding for 1999-2000 year could be used to make up the shortfall in matching funds for the 1999 federal allotment. DWD staff estimate that if the \$338,500 GPR transferred from the Committee's appropriation is included as base level funding, DVR will eventually have sufficient matching funds (including third party matches) to stop using current state fiscal year monies to match prior year federal allotments.

Under the provisions of s. 13.101(3), the Committee is authorized to provide supplemental funding in cases where an emergency exists and where no funds are available. DWD has requested a supplement that would be used to capture federal funds that would otherwise probably be lost on October 1. However, the Department has requested that the supplement be included as base level funding which would carry over into future years. Adjusting the Department's permanent funding level could be given a more comprehensive review during budget deliberations. As an alternative, the Committee could approve the transfer of the \$338,500 from its GPR appropriation as a one-time transfer of funds. This would allow DVR to capture most of the 1998 federal allocation of vocational rehabilitation funds. A second alternative would be to provide DVR with a \$392,500 GPR supplement. This would be the entire amount of additional funding that would be necessary to capture all of the 1998 federal allotment. Changes to the Division's base level appropriations could be considered during the 1999-2000 budget process. In addition, during the current state fiscal year the DVR could pursue other avenues to obtain third party matching, such as obtaining matching funds through establishment grants or contributions.

ALTERNATIVES

1. Approve the Department's request to transfer \$338,500 GPR in 1998-99 from the Committee's GPR appropriation [20.865(4)(a)] and \$83,600 GPR in 1998-99 from DVR's state operations appropriation [20.445(5)(a)] to DVR's client services appropriation [20.445(5)(bm)].
2. Modify the Department's request to provide a one-time supplement of \$338,500 GPR in 1998-99 from the Committee's GPR appropriation [20.865(4)(a)] to DVR's client services appropriation [20.445(5)(bm)].
3. Modify the Department's request to provide a one-time supplement of \$392,500 GPR in 1998-99 from the Committee's GPR appropriation [20.865(4)(a)] to DVR's client services appropriation [20.445(5)(bm)].
4. Deny the request.

Prepared by: Ron Shanovich

**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION**

WASHINGTON D.C. 20202-2741

**DRAFT REPORT
OF
PERIODIC ON-SITE MONITORING REVIEW**

FEDERAL FISCAL YEAR 1998

**GRANTEE: WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT --
DIVISION OF VOCATIONAL REHABILITATION**

**§107 MONITORING AND REVIEW, TITLE I REHABILITATION ACT OF 1973, AS
AMENDED**

DECEMBER, 1998

While waiting for and subsequent to Dr. Norman-Nunnery's response, RSA received an increasing number of telephone calls, letters and e-mailed comments from organizations, advocacy groups, the Client Assistance Program coordinator and the DVR SRAC chairman alleging that DVR was delaying the development of IWRPs, delaying the provision of services, and denying the provision of certain services, e.g., post-secondary education and training. Additionally, RSA was sent a copy of the June 6, 1998 edition of the **Milwaukee Journal-Sentinel** which carried an article entitled "Agency for disabled under investigation -- State Division of Vocational Rehabilitation accused of refusing to help clients find jobs". That article presented allegations of services delays and cutbacks by DVR.

On June 2, 1998, RSA wrote to Dr. Norman-Nunnery requesting data on DVR case service expenditures for certain months in federal fiscal years 1997 and 1998. RSA's analysis of those data sent by Dr. Norman-Nunnery revealed a significant reduction in case services expenditures for certain months in federal fiscal year 1998. The timing of the apparent service expenditure reductions paralleled the period of time alleged by consumers when services were being delayed, reduced, or denied.

On July 9, 1998, at the invitation of the chair of the SRAC and the State Independent Living Council, Ms. Judy Heumann, Assistant Secretary of the federal Office of Special Education and Rehabilitative Services and Dr. Douglas Burleigh, Regional Commissioner of the Region V office of the RSA, met with a large group of individuals representing and/or advocating for persons with disabilities in Wisconsin and representing providers of services to clients of DVR. Dr. Judy Norman-Nunnery attended that meeting. The organizations, programs and bodies represented were:

- State Rehabilitation Planning and Advisory Council
- State Independent Living Council
- Client Assistance Program
- Rehabilitation for Wisconsin
- Wisconsin Council on Developmental Disabilities
- Client Assistance Program Advisory Committee
- Council on Persons with Physical Disabilities
- Wisconsin Family Voices
- Wisconsin Coalition for Independent Living Centers
- Survival Coalition

Individuals from those entities presented data and arguments which sought to make the case summarized in the letter inviting Assistant Secretary Heumann and Regional Commissioner Burleigh:

"In the past six years, there has been a 22% erosion in our tax dollar support for the Vocational rehabilitation discretionary case aids budget. The Division is in the process of 'experimenting' with the use of third party arrangements to assess the ability of this mechanism to adequately meet the needs of clients. [note: see the discussion of cooperative agreements elsewhere in this report]

Based on the comparative information we have gathered, and the increase in the number of client and vendor compliants received since February, we are asking RSA to take the following action:

Require Wisconsin's Division of Vocational Rehabilitation to close additional categories under the State's order of selection until such time as RSA, the State Advisory Councils and the Client Assistance Program receive and acknowledge evidence that there is sufficient case aids funding to purchase services which meet the needs of every client in an open category [emphasis in original text].

While we would prefer to see DVR case aids funds adequately supported by increased levels of tax match, we believe that closing additional OOS categories is the only immediate means to assure that a full range of services is available to clients with the most severe disabilities."

Following that meeting and additional calls and letters from individuals and groups in Wisconsin, RSA issued a called for public comment. A public notice was published in the **Milwaukee Journal-Sentinal** and the **Madison State Journal** calling for comments from any applicant or client of DVR who had experienced delays, denials or disruptions of services for the exclusive reason of a shortage of case service funds. The newspapers published the notice on July 30, 1998. The notice also was distributed to disability advocates, and, to agencies and organizations representing or serving persons with disabilities. The RSA determined that such a public call for comments was necessitated by the compelling and building number of allegations against DVR; especially, in the face of repeated denials from DVR that services were not being delayed, denied or disrupted. RSA sought to determine whether the allegations were based in fact.

RSA received 97 comments: 66 from primary sources (letters, telefaxes, and emails directly from the commentors); and, 31 from a secondary source (records of complaints filed with the Wisconsin Client Assistance Program). Of the 66 comments from primary sources, 30 contained alleged denial, disruption or delay of services because of limited or suspended funds. All 31 of the comments from the Client Assistance Program clients reported denial, disruption or delay of services for funding reasons. Thus, 61 of the 97 comments substantiated the reports, long denied by DVR, that DVR counselors were delaying, disrupting and denying services because the counselors were told to cut back or conserve funds on the basis of a temporary, but Statewide shortage of case service funds.

The Regional Commissioner met with the Secretary of DWD, Dr. Linda Stewart and the Administrator of DVR, Dr. Judy Norman-Nunnery. At that meeting the Regional Commissioner expressed his concerns that DVR was side-stepping the obvious need to close off lower categories of the OOS; that cooperative agreements with non-profit organizations as a source of State match was illegal; and, that one or two remedies were immediately required: securing additional general purpose revenue on an emergency basis; and/or closing off lower categories of the OOS.

Some time later the Regional Commissioner received notice that Dr. Linda Stewart had successfully applied for an emergency allotment of general purpose revenue (\$480,000).

In addition to addressing the question of closing additional OOS categories, the Review Team found problems with the implementation of the DVR OOS. Specifically, during its review of case service records, the Team found that DVR policies and procedures regarding the documentation of "an individual with a severe disability" were not being implemented consistently by VR counselors. It was observed that some individuals served by DVR only minimally met the criteria of requiring multiple VR services over an extended period of time, with an "extended period of time" being defined by DVR as twelve months. The reviewers questioned the impact of the impairment(s) on seriously limiting functional capacities in terms of an employment outcome.

VR counselors were not appropriately applying the DVR order of selection for services criteria. This resulted in individuals being placed in the "e" category, when they belonged in the "c" category, and vice versa. Reviewers noted that some service records lacked documentation supporting the determination to place an individual in a given category.

Conclusion

Dr. Norman-Nunnery's April 21, 1998 letter presenting planned actions for serving all who apply and are eligible in the open categories of the OOS contains or implies steps which RSA has stated, in many places in this Report, are illegal or detrimental to clients of the agency:

- conserving funds
- using third party agreements with non-profit organizations as State match and as a substitute for discretionary case funds
- expanding means testing to conserve VR funds
- substituting another agency's services for DVR's services to conserve funds, without assuring that the other agency's services fit client choice and/or are comparable to or better than the services provided or purchased by DVR

Given the fact that DVR has a proven recent history of conserving funds at the apparent expense of applicants and clients, and, given the illegal or questionable corrective actions spelled out in Dr. Norman-Nunnery's April 21 letter, RSA directs DVR to resubmit a plan of action to assure that services are not delayed, denied or disrupted and that all applicants and clients in all open categories receive timely services consistent with their capacities and skills and informed choice.

PUBLIC NOTICE

The Rehabilitation Services Administration is seeking Comments from clients of the Wisconsin Division of Vocational Rehabilitation (WDVR) or knowledgeable others of delay, disruption or denial in the acceptance of an application, or in the delivery of evaluation services, plan services, and purchase of IWRP-related technology between January and September, 1998, where there was an explanation by WDVR personnel that there were inadequate funds to accept an application or buy the service or product.

Comments should include:

- your name and town of residence
- a description of the denial of application; services or technology products
- the time at which the application or service delay, disruption or denial occurred

- the reason given for the denial, delay or disruption
- an explanation of whether the delay, disruption or denial of application, services or purchased technology was satisfactorily resolved or still in effect at the time of comment.

All comments will be held in confidence. Written and oral comment (audio-taped, sign-language taped) will be taken until August 28, 1998 and should be directed to:

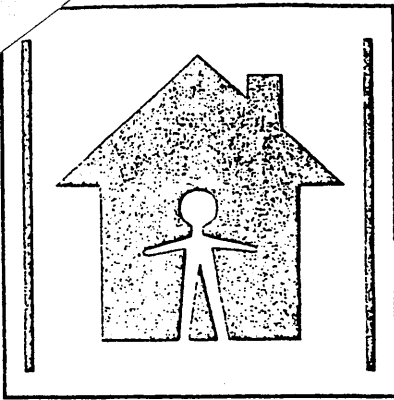
Douglas Burreigh, Ph.D. Regional Commissioner

Rehabilitation Services Administration
5th Floor, 10220 N. Executive Hills Blvd.
Kansas City, MO 64153

E-Mail: douglas_burreigh@ed.gov

Fax: 816-891-0807

MS552415



The *ABLE* Coalition

*"Advocating for Better Community Living Environments for People with Disabilities
and People who are Elderly."*

THE ABLE AGENDA ON THE 1999-2001 STATE BUDGET:

*The Full Citizenship -
A Coalition of 71 Organizations
414-329-4500 (Voice)
414-329-4511 (TTD)*

*The Older Adult Services Provider
- A Coalition of 75 Organizations
414-291-7500*

*ARC Milwaukee
414-774-6255*

*Center for the Deaf &
Hard of Hearing
414-790-1040*

*National Multiple Sclerosis Society
- Wisconsin Chapter
1-800-242-3358*

*IndependenceFirst
414-291-7520 (Voice/TTY)*

*United Cerebral Palsy of
Southeastern Wisconsin
414-329-4500 (Voice)
414-329-4511 (TTD)*

*Wisconsin Coalition for Advocacy
414-342-8700 (Voice/TTD)*

"FUND THE COMMUNITY PROMISE IN THE NEW MILLENNIUM"

The ABLE Coalition represents the combined voices of advocates who care about persons who are elderly and those with disabilities. We believe that powerful economic and social forces have converged to create the environment for a major expansion of community-based long term care in this budget:

- ✓ **Fact:** Wisconsin is enjoying record prosperity, employment and state surpluses.
- ✓ **Fact:** As documented in the LTC Redesign process, there is a bias in Long Term Care funding toward institutional care. Not enough funding goes to *community-based* long term care.
- ✓ **Fact:** The shortfall in community funding makes waiting lists continue to grow.
- ✓ **Fact:** Census figures show a 74% national unemployment rate among persons with severe disabilities. There are more than 100,000 residents of working age in Wisconsin who have a severe work disability. With record low unemployment rates in the general population and employee shortages, Wisconsin employers are looking for alternate hiring pools.

For waiting lists and the funding bias to be addressed, we need a major infusion of new dollars in community-based programs like COP, Community Aids, and Family Support. This would level the playing field and build the infrastructure to make Long Term Care Redesign work in the New Millennium. Without a major infusion, Redesign may be unrealistic and therefore difficult for many people to support.

With sufficient investment in employment and training programs for persons with severe disabilities, we can decrease the unemployment rate among this group and provide new resources to employers.

"Invest in Individuals not Institutions"

LONG TERM CARE REDESIGN ("FAMILY CARE")

▪ A Single Entry Point for long term care services and the development of a LTC system in which the funds follow the individuals. ABLÉ is concerned that consumers continually be brought into the discussion of the ongoing development of Family Care. At this time, ABLÉ supports the Survival Coalition's modifications to the DHFS Family Care proposal. Regardless of what happens to any Family Care legislative proposals, ABLÉ supports having a plan for allocating the resources currently in the budget to other community-based long term care programs in the event the legislation fails.

PROGRAMS TO SUPPORT COMMUNITY LIVING

- Community Options Programs (COP, COP-W & CIP): Increase funding to serve the 8,000 individuals on the waiting list. Estimated cost: \$50 million GPR dollars over the biennium.
- Brain Injury Waiver: Full funding for all existing Brain Injury Waiver slots and additional funding to pay for all HCFA approved slots for the biennium.

MEDICAL ASSISTANCE

- Co-Payments: No additional MA co-payment burden to SSI/DI recipients.
- Personal Care: ABLÉ supports the Wisconsin Coalition of Independent Living Centers' initiative to raise the Medicaid Personal Care Services reimbursement rate by \$4.00 an hour to \$15.50/hour. This rate increase is necessary to ensure that Personal Care Workers (PCWs) earn a liveable wage and to enhance the viability of this profession and service. Estimated cost: \$23 million dollars over each year of the biennium (\$9.5 million GPR dollars and \$13.5 million federal dollars).

SUPPLEMENTAL SOCIAL SECURITY INCOME (SSI)

- Provide parents with disabilities receiving SSI the pre W-2 grant levels for the care of their dependent children. This assistance, known as the "Caretaker Supplement" (or C-Supp) should be funded with TANF dollars. Estimated cost: \$9 million in GPR and \$17 million TANF in FY 00, \$100.3 million GPR and \$16 million TANF in FY 01.
- Maintain the current State supplement payments to individuals receiving federal SSI support, allowing federal COLA increases to pass through to individual recipients.

LIFESPAN RESPITE

- ABLÉ supports the initiative of the Respite Care Association of Wisconsin to pass the Lifespan Care Bill. The Lifespan Care Bill would a) establish a statewide vehicle to coordinate efficient, consistent, quality respite care in Wisconsin; b) allocate funds for start-up costs and maintenance; and c) increase families'/primary caregivers' respite care options and availability. Estimated cost: \$250,000 in GPR dollars.

COMMUNITY AIDS

- Full restoration for the lost federal funding in Community Aids. Estimated cost: \$8 million dollars.

EMPLOYMENT OPPORTUNITIES

- Restoration of \$3 million in GPR over the biennium to the Division of Vocational Rehabilitation to maximize employment training and placement opportunities. ABLE supports increases in community aids to increase supported employment opportunities.
- ABLE supports the following with regard to the Wisconsin Works (W-2) program:
 - ✦ The expansion of child care subsidy eligibility to children with disabilities or chronic health conditions (estimated cost of \$1.5 million TANF dollars);
 - ✦ Disregarding SSI as a source of unearned income when determining W-2 program eligibility;
 - ✦ Eliminating the barrier to receiving W-2 grants for parents who have a prior employment history and are caring for a child with a disability;
 - ✦ The expansion of W-2 supportive services to include intensive case management and benefit counseling for parents with disabilities;
 - ✦ The elimination of W-2 time limits for families headed by a parent with a disability who is unable to work yet ineligible for Social Security;
 - ✦ The elimination of W-2 Transition category or an increase of the W-2 Transition grant to equal that of the Community Service Job (CSJ) income level;
 - ✦ The full funding of Kinship Care, to facilitate faster eligibility determinations (currently takes 8-12 weeks) and to provide Kinship Care assistance as of the date of application.

TRANSPORTATION

- Eliminate Wisconsin Statue 59.968 (9) (b) which poses a barrier to cross-county paratransit services and the full implementation of the ADA. ABLE supports an increase in funding for the 85.21 program. Estimated cost: \$16 million from DOT resources over the biennium.

TECHNOLOGY

- Increase funding to maintain and capacity-build the WisTech program, AgriBility and the Parent Education Project for persons with disabilities. The investment is critical as long-term federal funding is scheduled to decline over the biennium. Estimated cost: \$343,000 in GPR dollars.
- ABLE supports an initiative to establish a \$1 million dollar low- or no-interest loan fund for persons with disabilities in need of adaptive equipment and/or other mechanical, technological or structural accommodations.

THE ONLY WAY FOR LTC REDESIGN TO WORK IN THE YEAR 2000

IS TO START TO FUND IT NOW!

Tommy G. Thompson
Governor
Linda Stewart
Secretary

OFFICE OF THE SECRETARY
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
Fax: (608) 266-1784
<http://www.dwd.state.wi.us/>

State of Wisconsin
Department of Workforce Development

September 2, 1998

The Honorable Tim Weeden
Senate Chair, Joint Committee on Finance
1 East Main Street, Room 203
Madison, WI 53702

The Honorable John Gard
Assembly Chair, Joint Committee on Finance
315 North State Capitol
Madison, WI 53702

Dear Senator Weeden and Representative Gard:

The Department of Workforce Development (DWD) requests approval of the Joint Committee on Finance under s. 13.10 to transfer \$338,500 GPR in 1998-99 from the Committee's appropriation under s. 20.865(4)(a) and \$83,600 GPR from the appropriation under s. 20.445(5)(a) to the Department's appropriation under s. 20.445(5)(bm) for vocational rehabilitation services. This request is to make the transfer a permanent adjustment to the appropriation's base budget.

The Committee currently has \$338,500 GPR in its appropriation that was reserved for KIDS systems changes in 1997-98. In June, the Department presented a s. 13.10 request that asked that these funds remain in the JFC appropriation as a reserve. The Committee approved this request. The Department now requests that the \$338,500 be transferred to the Division of Vocational Rehabilitation (DVR) case aids appropriation.

Costs of operating and maintaining the state accounting system (WISMART) in DOA are charged back to agencies proportionately across respective funding sources. Recently, the method for transmitting financial transactions to (WISMART) has been changed and as a result, costs have decreased for the Department. When allocated across department funding sources, the GPR costs of these financial service chargebacks for DVR will be less than the amount budgeted for this purpose. The Department requests that \$83,600 GPR saved as a result of these reduced charges be transferred from the state operations appropriation to the aids appropriation for services to individuals with disabilities.

During development of the 1997-99 biennial budget, the legislature anticipated the possibility that vocational rehabilitation services might need a supplement. Therefore, Wisconsin Act 27, section 9126 (3m), created a specific nonstatutory provision detailing criteria which the Division of Vocational Rehabilitation could use to assess the need for seeking an adjustment. Section 9126 (3m) states that:

*In the event that amounts
funding is not*

*appropriated ... are insufficient ... and matching
available ... the department may make a request*

SEC-7792-E (R. 07/97)

The Honorable Tim Weeden
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under section 13.10...

Budget adjustments in the last two biennia have converted \$1.0 million in GPR authority for DVR into program revenue authority. Since DVR's primary funding mechanism is a federal-state matching program with a match ratio of 78.7% to 21.3%, this conversion has translated into an increased need for obtaining third-party matching funds.

At this time, financial records and increased experience with third-party issues, indicate that the combination of appropriated GPR plus program revenue and third-party matching funds will not be sufficient to fully capture the federal funds being made available to Wisconsin. The table below summarizes the current structure for matching the federal allotment.

Federal Allotment and Associated Match

FFY	Initial Allotment	Total Match Required	GPR & PR Match Available	3rd-Party Needed	3rd-Party Commitments	Unmet Need
1998	\$45,834,500	\$12,405,000	\$ 10,924,000	\$1,481,000	\$ 1,245,800	\$235,200
1999	\$46,934,750	\$12,702,800	\$ 10,899,500	\$1,803,300	\$ 1,616,400	\$186,900
Total Unmet Need						\$422,100

The SFY99 statutory authority for GPR alpha aids appropriation 20.445 (5)(bm) is \$5,354,500. This appropriation allows for the purchase of goods and services related to vocational rehabilitation as authorized under chapter 47, Wis. Stats. Because this is an aids appropriation, there are no budgeted FTE's. There have been no prior 13.10 requests on behalf of DVR.

Before the conversion of \$1.0 million in GPR authority to PR authority, DVR's standard third-party partnerships took place with government entities. Many of these relationships have been maintained. However, the necessary expansion of third-party agreements is governed by federal regulations. These regulations place restrictions on the source of funds and require that funds supplement, not supplant, existing services or be used to provide new services. The effect of these conditions, in practice, is that third-party funds are generally not a direct replacement for discretionary GPR and PR matching funds.

While DVR has increased the amount of third-party activity through renewal of existing contracts and development of new contracts, recently enacted federal regulations related to 'contributed funds' have created contracting limitations that make further expansion difficult. In August, the US Department of Education's Rehabilitation Services Administration informed DVR that the use of contributed funds would not qualify as match due to reversion to donor restrictions.

DVR's plan for covering the unmet need, as shown above, was to make use of contributed funds as match. Because this option is not available, DVR will renew \$235,200 in expiring third-party agreements on September 30, 1998. This will prevent the lapsing of federal funds in FFY98. The effect, however, is to simply move the unmet need forward into FFY99. Therefore,

The Honorable Tim Weeden
The Honorable John Gard
September 2, 1998
Page 3

under the current structure for matching the federal allotment, DVR will lapse a total of \$1,559,590 in federal funds in FFY99.

Since the federal allocation is greater than the resources available to match it, reallocation of the base budget is not an option. For the same reason, waiting for the biennial budget is not a viable alternative due to the resulting lapse of federal funds. Should this request not receive Joint Committee on Finance approval, the immediate effect will be the lapse of federal funds. Longer term impacts of not approving the request will include decreased federal allocations due to not meeting maintenance of effort requirements and closure of additional order of selection categories to ensure funding is available to provide full vocational rehabilitation services to eligible consumers.

I will be representing the Department at the September 24, 1998 s. 13.10 meeting.

Sincerely,

Linda Stewart
Secretary

Feds seek disabled who were denied services

Investigation of complaints about state agency widens

BY MARY ZAHN
of the Journal Sentinel staff

A federal investigation into allegations the state Division of Vocational Rehabilitation illegally failed to provide services to disabled people seeking work has widened to include a call for clients denied services to contact federal authorities.

"To my knowledge this has never been done before," said Douglas Burleigh, regional commissioner of the federal Rehabilitation Services Administration, which monitors the use of federal money to help the disabled find jobs.

"It's quite unusual," Burleigh said he was seeking public comment after attending a July 9 meeting in Milwaukee, in which allegations of service cuts due to a shortage of state funds were discussed.

Among those attending were Judy Heumann, assistant secretary of the U.S. Department of Education and DVR administrator Judy Norman-Nunnery.

Advocates for disabled DVR clients, he said, made a half-hour presentation at the meeting documenting what they said was a decrease in the purchase of client serv-

Douglas Burleigh, federal official:

"We take this

very, very

seriously."

ices over a six-month period.

The advocates alleged it was because of DVR funding cuts.

"This is necessary to verify the allegations that were presented," Burleigh said Tuesday.

"We take this very, very seriously. We have no choice but to determine whether the allegations were based in fact by issuing a call for people who have experienced delays due to funding problems to come forward. We feel the best way to make it safe for consumers to come forward in a less-than-full public glare would be to invite individuals to contact me directly."

Linda Stewart, secretary of the state Department of Workforce Development, said in a prepared statement Tuesday that the state was fully cooperating with federal officials and was "committed to ensuring individuals receive appropriate services."

Records show that the federal agency began questioning the state's vocational rehabilitation spending in February when job counselors were told their agency was running out of money.

Since that time, advocates and service providers for the disabled have complained that services have been cut.

State officials said cuts to the DVR budget were made to avoid tax increases.

At the same time, DVR ad-

Please see DVR page 2

Denial of
opera seat
led to civil
rights law

Page 2



MILWAUKEE METRO AND STATE NEWS

THURSDAY, JULY 30, 1998

MILWAUKEE JOURNAL SENTINEL — FINAL EDITION

DVR/Federal investigation widens

From page 1

ministrators have adamantly maintained that no client services were delayed or denied because of the cuts.

Federal law does not allow state rehabilitation agencies to deny or delay needed services to disabled people as a way of dealing with a budget problem.

The only legal option for states running short of money, federal officials say, is to triage cases and stop spending money on people who are not defined as severely disabled — something Wisconsin has rejected.

Notices calling for public comment on the situation will be placed this week in the Milwaukee Journal Sentinel, the Madison Capital Times and Wisconsin State Journal.

In addition, the notices will be distributed to disability advocates and to agencies and organizations representing or serving disabled people in Wisconsin.

The results of the investigation, Burleigh said, will be included in a comprehensive report reviewing the state's DVR operations.

That periodic review began last year but was expanded to investigate allegations of client service cuts earlier this year.

Disabled people who feel they have been denied services can contact the U.S. Rehabilitation Services Administration. Comments will be kept confidential and should include a description of the denial, the reason given, the date and whether the situation has been resolved. Written and audio-taped comments will be taken until August 28 and should be sent to: Douglas Burleigh, Regional Commissioner, Rehabilitation Services Administration, 5th floor, 10220 N. Executive Hills Blvd., Kansas City, MO 64153. Comments may also be sent by fax or E-mail at: douglas_burleigh@d.gov. The fax number is (816) 891-0807.

If the state is found to have denied or delayed services because of budget cuts, authorities said, the Rehabilitation Services Administration would most likely order the state to cut down on the number of clients served and focus on the most severely disabled.

Frustrated members of the state Rehabilitation and Planning Advisory Council are also continuing their investigation into the agency's claims that no services were denied in light of contradictory statements from advocates, clients and service providers, according to Mel Storry, chairman of the advisory group.

He said the agency's immediate fiscal crisis abated in March when administrators used \$2.7 million in a reserve fund to get them through the current fiscal year ending June 30.

Council members want to know how the agency intends to address future shortfalls.

The state is scheduled to receive more than \$50 million in federal money for this fiscal year and has a budget of more than \$65.4 million to help about 23,000 physically and mentally disabled clients find jobs.

Judy Norman-Nunnery, DVR's administrator, has acknowledged that the agency had a projected \$2.8 million deficit for serving clients earlier this year but that "no services that were essential were denied or delayed."

However internal DVR memos show that at least two key client service providers were lost because of DVR budget problems. Vendors provide a host of services.

In addition, memos show that district offices had been instructed "to continue conservancy measures which have already been set in place."

At the same time, district offices were told to continue client services.

Joint Finance Committee Testimony

Wisconsin AHEC System

April 14, 1999

Good morning Co-Chairman Gard, Co-Chairman Burke, and members of the Committee. Welcome to Northwestern Wisconsin and thank you for the opportunity to speak today. My name is Piper Larson and I am here to speak in **favor of an increase** in funding for the Wisconsin AHEC System. I am wearing many hats during this testimony and I will speak from several vantage points. As a Dean of Planning for Wisconsin Indianhead Technical College; Northern AHEC has become an essential resource for staff development and information on health care. As a Registered Nurse that has worked in rural Wisconsin health care for 25 years; AHEC system resources have been very beneficial for researching information to provide better, more individualized patient care and access to essential professional development activities. As a board member of the Northern Wisconsin AHEC; it has been a privilege to work with a visionary center director and staff that have transformed the center from a fund dispersal center to a resource sharing partnership. Northern AHEC, local educational institutions and local health care providers collaborate to enhance the effectiveness of patient care delivery in Northern Wisconsin. Please allow me to briefly elaborate:

Wisconsin Area Health Education Center System, or AHEC, aims to improve the distribution, supply, quality, utilization and efficiency of health personnel in rural and underserved communities. We are not currently in an underserved community since we can see the city lights of the Twin Cities from here. However, a short drive to the north and/or east will take you to several areas with underserved populations.

As I heard about AHEC many years ago, I learned that it was federal and state money administered through the UW Medical School, funding activities done through four regional, community-based organizations. Here are some of my experiences:

The nursing program at WITC has been moving to more computer-based learning over the past several years. One of the faculty, who was nearing retirement, found Internet searches and computers in general to be complex and unfriendly. Her frustration level grew daily and although she had taken several classes to improve her skills, she still struggled. She went to a Northern AHEC sponsored meeting about Northwoods HealthNet and learned how HealthNet could help her with sorting through the multitude of health related resources on the net. While she has not delayed her retirement because of HealthNet, she has elected to obtain an Internet provider service to her home in the woods to continue to access the Monday morning e-mail – always full of reliable health care information – from Northwoods HealthNet. The Northern Wisconsin AHEC was responsible for bringing \$363,000 in federal funds into northern Wisconsin, via National Library of Medicine grant to fund Northwoods HealthNet. There has never been more health information available and at times, through sheer volume, it has never been harder to access. We need the help of Northwoods HealthNet.

Another faculty member, with a specialty background in pediatrics was having a difficult time accessing information about continuing education offerings within the area. Although she maintains some excellent connections with large health care organizations in the Twin Ports and Twin cities areas and she worked with local health providers, she was often unaware of offerings by other organizations in the area. The northern AHEC has organized a service called Training Connection that allows members to share education offerings and needs via an Internet listserv and webpage. This faculty member has been able to utilize the information to attend activities for her own professional development and has also involved her students in area offerings. The Training Connection has made a difference in our nursing program by providing easy access to area health care provider offerings.

In my supervisory role as a dean at WITC, I visit local health care providers that allow our students to practice their skills in the clinical setting. On several occasions I have been in the patient care areas and witnessed the staff accessing information through the various services of Northern AHEC to improve patient care. The Northern AHEC web page is bookmarked on most computers in the nursing stations and medical resource areas. The staffs know of it, use it and like it. Some of them also work with medical students and residents that are in northern Wisconsin due to AHEC money to fund rural medical education. They take any and all opportunities to help the medical students appreciate the issues of our rural clientele as well as convince them that staying in "God's Country" to practice medicine is really their *only* option.

We have one offering at WITC – the Occupational Therapy Assistant program at our Ashland campus -- that exists today partly due to AHEC. In 1995, we were given a small project to assist with our investigation of new health program development. We were able to fund a part time position to research the possibilities of this program and were eventually able to begin the program development work using the project dollars. This program would not have come about as quickly as it did without the assistance of AHEC dollars. On a recent visit by the national Occupational Therapy accrediting agency, the site visitors were very impressed by the resources available to the OTA students via Northwoods HealthNet and Training Connection. Probably they were impressed that we actually had computers out here in the hinterlands, but the AHEC resources added to our credibility with this national group.

The services of the AHECs are many and I have not personally experienced them all, but I feel the loss of this organization to northern Wisconsin and to the state would be extremely difficult for area practitioners that have come to rely on the services. The Wisconsin AHEC System is requesting total state funding of \$1.5 million per year to maintain current programs and services. It is my belief that this is a necessary expenditure for the well-being of Wisconsin residents.

The current AHEC System budget is \$1.56 million per year: \$763,000 in federal money and \$800,00 in state funds. The federal money is ending September 30, 1999. The AHEC system request is to maintain \$800,000 per year appropriation in Governor's budget and an increase of \$700,000 per year in state funds.

Northern Wisconsin needs AHEC to keep sending those medical students to us! We need the AHEC activities that help us coordinate our educational offerings so we can avoid unnecessary duplication and take advantage of area offerings. The communication tools alone are invaluable, but they require some maintenance to be effective and none of the individual partners alone can do the task. We need the AHEC as a neutral partner to help the collaboration between area organizations. Without some increase in funding, regional AHEC centers will have to cut programs and services and maybe even close their doors. AHEC needs your support. We need your support!

Thank you, Co-Chairs Gard and Burke and committee members for your attention to the health-related needs of rural and underserved areas.

Piper J Larson, RN, MN
Dean, Instructional Planning
Wisconsin Indianhead Technical College
505 Pine Ridge Drive
Shell Lake, WI 54871

1-800-243-9482, ext. 2209

FAX: 715-468-2919

E-mail plarson@witc.tec.wi.us

Date: April 13, 1999

To: JOINT FINANCE COMMITTEE
Co-Chairman Mr.Gard & Mr.Burke

From: Harland H. Kirchner
Northern Wis. Area Education Center, Chair:
Wisconsin Health Education System, Secretary

SUBJECT: WISCONSIN AREA HEALTH EDUCATION SYSTEM FUNDING

FIRST: Thank you for holding this hearing in Central Wisconsin. You saved me Three hours of travel time as well as mileage.

CONCERN:Federal Funds for Rural Health have dropped significantly for our next fiscal year. We need an additional amount of \$700,000 over and above the State allocation of \$800,000 to provide the services that we have been providing in rural health. I ask you to support that added amount so that we can continue to provide our distance learning and other "HEALTH" services.

An Example: A couple of years ago, some of us worked with the folks in our neighboring community of Marion and they received a grant to work with UWM on a pilot program to upgrade nurses. During that period they upgraded 35 nurses using video conferencing from Madison to the Clintonville Health Center. The funding and instruction was complete and therefore terminated. Nurses did not have to travel over 10 miles to get this training. This was a great savings in time and travel costs and they were pleased.

I believe that the continuation of these kinds of programs would result in many more of our health providers with an opportunity upgrade their skills and knowledge to help the many underserved people in North Wisconsin.

I believe that I am speaking for most of Wisconsin Rural People when I am making this request to assist in upgrading health care and a health information source for many of our residents.

To Assist in this shortfall of revenue, North Wisconsin AHEC has implemented a Membership Fee to access the HEALTH-NET Medical Information and Support. This should generate approx. \$15,000.

UWM as a Member of the Wisconsin AHEC System is considering providing courses of Medical Instruction on "The Ahec Network" to make it readily available thru AHEC across the State of Wis. A Fee Structure will be implemented for these Credit Courses. Other Members of WHES include Wis. Univ System Schools, The VTAE System Schools, Marshfield Clinic, Gunderson Clinic and many Hospitals, Clinics and Health Groups.

"Thank You for Listening."

P.S. Please also support "Badger Link" a vehicle to keep costs down and greater access to serve the people of Wisconsin.

TO: Members, Joint Finance Committee
 FROM: Peter DeSantis, Chair Blue Ribbon Commission on Mental Health
 DATE: April 13, 1999

Governor Tommy Thompson appointed the Blue Ribbon Commission on Mental Health in May of 1996. It consisted of 40 members representing legislators, advocates, consumers, providers, etc. A final report was submitted in February 1997. It's recommendations included:

1. Model System that emphasizes managed care, client outcomes and performance.
2. Ways that federal, state and county governments can cooperate to gain fiscal efficiencies.
3. A system targeting prevention, early intervention, recovery and positive consumer outcomes.
4. Ways to reduce stigma.

All of our efforts were coordinated with D.H.F.S. Family Care projects. In 1994, \$400 million of public funds were spent on mental health services -- not including Medicare, D.V.R., those in jails, S.S.I. or S.S.D.I.

The D.H.F.S. requested funding for eight demonstration projects. This was reduced to two in the Governor's budget. To effectively determine how we can bring about changes required, we are requesting four additional projects be added to the budget.

Starting two demos on 1/1/2000, two more on 7/1/2000 and two additional demos on 1/1/2001. The budget for each year would be:

<u>Source of Funds</u>	<u>FY 2000</u>	<u>FY2001</u>	<u>Biennial Total</u>
GPR	145,500	480,000	625,000
FED	<u>65,000</u>	<u>160,000</u>	<u>225,000</u>
TOTAL	*210,000	**640,000	850,000

Each demo is eligible for \$160,000 for one year.

* This amount includes \$50,000 for evaluation plus \$160,000 for funding two demos for six months from 1/1/00 to 6/30/00.

** This amount includes funding of \$160,000 for six more months for the demos started the first FY; two new demos starting 7/1/00 for one year at \$160,000/demo for a cost of \$320,0000; and six months funding for two demos starting 1/1/01 at cost of \$160,000. T

The total increase to the G.P.R. is \$395,000.

In closing, I ask you to look at investing \$395,000 GPR to bring about changes needed in a \$400 million dollar operation which affects thousands of Wisconsin citizens and to not remove the supporting statutory language which is vital to success.