



COLORADO
Department of
Labor and Employment

Executive Director's Office
633 17th Street, Suite 1200
Denver, CO 80202-3660

November 1, 2018

Chair, Joint Budget Committee
State Capitol Building
Denver, CO 80203

Dear JBC Chair,

Please find attached the annual submission for the request for information pursuant to HB 18-1322 for the Colorado Department of Labor and Employment, Division of Vocational Rehabilitation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel Walker', with a period at the end.

Samuel Walker

Cc: Amanda Bickel, JBC Staff

1. Department of Labor and Employment, Division Of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide a report on the number of individuals receiving vocational rehabilitation services, including: a breakdown by category of the number of individuals receiving services; the average cost by category of services; the projected fiscal year expenditures, and the projected balance of the State's federal vocational rehabilitation account by November 1, 2018.

| Table 1 | | | | |
|---|------------------------------------|-------------------------------|-------------------|--------------|
| Count of Individuals Receiving Services on June 30, 2018 | | | | |
| Case Status | Most Significant Disability | Significant Disability | Disability | Total |
| Eligible | 1,498 | 534 | 80 | 2,112 |
| Service | 3,352 | 1,024 | 138 | 4,514 |
| Employed | 611 | 240 | 68 | 919 |
| Post-Employment | 30 | 11 | 0 | 41 |
| Total | 5,491 | 1,809 | 286 | 7,586 |

| Table 2 | | |
|---|--------------------------------------|------------------------------------|
| Average Cost by Category of Services for Cases with Payments SFY 2017-18 | | |
| Disability Priority Category | Number of Clients in Category | Cost per Client in Category |
| Individual with a Disability | 256 | \$2,228 |
| Significantly Disabled | 1,459 | \$2,685 |
| Most Significantly Disabled | 4,900 | \$2,430 |
| Overall Average | 6,615 | \$2,479 |

**Table 3
Division of Vocational Rehabilitation Projected Expenditures by Long Bill Line Item
SFY 2018-19**

| Long Bill Line Item | Long Bill | Projected Total Expenditures |
|--|---------------------|-------------------------------------|
| Centrally Appropriated Lines* | \$4,000,000 | \$4,000,000 |
| Vocational Rehabilitation Personal Services | \$16,345,301 | \$16,345,301 |
| Vocational Rehabilitation Operating | \$2,539,404 | \$2,539,404 |
| Vocational Rehabilitation Services | \$14,831,622 | \$14,831,622 |
| School to Work Alliance Program (SWAP)** | \$11,265,924 | \$9,872,127 |
| Vocational Rehabilitation Mental Health Services*** | \$1,748,180 | \$2,248,180 |
| Business Enterprise Program for People Who are Blind | \$1,532,125 | \$1,532,125 |
| Business Enterprise Program-Program Operated Stands, Repair Costs, and Operator Benefits | \$429,000 | \$125,000 |
| Federal Social Security Reimbursements | \$2,600,000 | \$2,600,000 |
| Total | \$55,291,556 | \$54,093,759 |

* Centrally Appropriated Lines includes: Executive Director's Office Personal Services and Operating, Worker's Compensation, CORE, Risk Management, Legal Services, Leased Space, Fixed Vehicle payments, Payments to OIT and Statewide Cost Allocation Plan payments.

** CDLE has increased SWAP spending authority for the past two state fiscal years to target expenditures to students with disabilities between the ages of 15-21 (Pre-ETS), as the FFY16 and FFY17 federal awards came with a required 15 percent set-aside for Pre-ETS. As a result, CDLE has increased Pre-ETS expenditures from approximately \$1.9 million in FFY 2016 to approximately \$5.2 million in FFY 2017.

*** CDLE has not received the full amount of re-appropriated funds stated in the Long Bill from the Department of Human Services since the transfer of the Division; however, with the increased flexibility provided by the legislature the Department has been able to utilize unspent match from case services to provide a one-time increase to the Mental Health Services appropriation by \$500,000 in SFY 2019.

In prior years, when match was fully expended in Mental Health Services line, mental health centers were required to direct clients through a vocational rehabilitation counselor in fee-for-services arrangements rather than through the Mental Health Supported Employment contracts. DVR has engaged the Department of Human Services in a discussion to generate additional match funds for ongoing years.

The State Vocational Rehabilitation Services grant (Basic Support) award has a one-year grant period. Federal funds remain available for obligation and expenditure in the next federal fiscal year (carryover year) only if an award amount remains unobligated and is matched using non-federal funds in the current grant year. CDLE does not anticipate matching the full FFY 18 award due to current caseload and the lack of available match in the year of appropriation. CDLE is currently searching for ways to engage other state partners in allowable third-party cooperative agreements (TPCA's) that can fund match.

The Basic Support award is tied to population growth and growth in the consumer price index and as such, CDLE anticipates a higher federal award amount in FFY 2019 that may require additional sources of non-federal funds. CDLE will first search for partnership opportunities that may exist as sources of non-federal funds prior to requesting a decision item.

Table 4-Distribution of Grant Awards by State Fiscal Year

| Federal Award | Award | Federal Expenditures | Match Required | Match 2 years Prior | MOE penalty |
|----------------------|--------------|-----------------------------|-----------------------|----------------------------|--------------------|
| FFY 14 | \$40,918,495 | \$40,918,495 | \$11,074,510 | Base Year | \$576,036 |
| FFY 15 | \$41,000,267 | \$35,710,313 | \$9,664,926 | Base Year | \$1,174,669 |
| FFY 16 | \$42,317,015 | \$22,721,805 | \$6,149,612 | \$11,074,510 | \$4,924,828 |
| FFY 17 | \$38,998,851 | \$38,998,851 | \$10,554,962 | \$9,664,926 | \$0 |
| FFY 18 | \$44,504,499 | \$44,504,499 | \$12,045,055 | \$6,149,612 | \$0 |

Source: CORE, total of all federal expenditures and encumbrances associated with the Basic Support program code as of the end of SFY 2019, Period 3 close.

2. Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Office of Independent Living Services -- The Department is requested to provide as of November 1, 2018 the number of clients served by each Independent Living Center for the past year, and the distribution of funds by Independent Living Center.

| Table 5 | | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Clients Served by ILC by Month | | | | | | | | | | | | | |
| Center Name | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
| Atlantis | 171 | 227 | 191 | 219 | 199 | 155 | 227 | 212 | 255 | 259 | 270 | 308 | 2,693 |
| Center for Disabilities* | 391 | 404 | 393 | 395 | 388 | 370 | 383 | 411 | 421 | 429 | 430 | 430 | 4,845 |
| Center for Independence | 241 | 278 | 208 | 204 | 191 | 153 | 211 | 177 | 187 | 203 | 170 | 194 | 2,417 |
| Center for People with Disabilities | 519 | 381 | 370 | 379 | 380 | 375 | 385 | 336 | 342 | 348 | 320 | 326 | 4,461 |
| The Independence Center | 126 | 134 | 122 | 125 | 132 | 126 | 114 | 141 | 140 | 168 | 139 | 150 | 1,617 |
| Connections | 208 | 215 | 231 | 183 | 194 | 156 | 210 | 177 | 183 | 166 | 160 | 186 | 2,269 |
| Disabled Resource Services | 104 | 140 | 136 | 192 | 125 | 122 | 165 | 303 | 211 | 158 | 214 | 222 | 2,092 |
| Northwest Colorado Center for Independence | 144 | 119 | 101 | 110 | 187 | 140 | 148 | 140 | 140 | 377 | 162 | 86 | 1,854 |
| Southwest Center for Independence | 73 | 87 | 83 | 80 | 76 | 66 | 68 | 63 | 71 | 61 | 66 | 56 | 850 |
| Total | 1,977 | 1,985 | 1,835 | 1,887 | 1,872 | 1,663 | 1,911 | 1,960 | 1,950 | 2,169 | 1,931 | 1,958 | 23,098 |

Source: Monthly ILC Report billing submissions of new and existing clients for unduplicated clients. Unduplicated clients refers to the **monthly** number of individuals served, rather than individual service delivery instances by month.

| Table 6 | |
|---|---------------------|
| Distribution of General Funds by Independent Living Center | |
| Independent Living Center | General Fund Amount |
| Center For Independence | \$ 733,353 |
| Center For People with Disabilities | \$ 727,535 |
| Atlantis | \$ 884,493 |
| Connections for Independent Living | \$ 712,509 |
| Center for Disabilities* | \$ 863,541 |
| Northwest Center for Independence | \$ 675,202 |
| Disabled Resource | \$ 669,213 |
| Southwest Center for Independence | \$ 681,873 |
| The Independence Center | \$ 785,793 |
| Total | \$ 6,733,512 |

3. Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide by November 1, 2018 a listing of the current leased spaces for Workforce Centers and a listing of the current leased spaces used by the Vocational Rehabilitation Programs including costs. The Department is also requested to provide the status of consolidation of leased spaces including locations that can be consolidated and estimated cost savings.

| CITY | DVR Estimated Costs SFY 2019 | Workforce Estimated Costs SFY 2019 | Co-location Status |
|-------------------------------|---|--|---|
| Alamosa | \$31,100 | \$28,979 | Co-location deferred due to space constraints |
| Aurora | \$47,078 | | |
| Arapahoe/Douglas Works | \$53,746 | Within same building as County run WFC | |
| Boulder | Closed and consolidated in Longmont | | |
| Burlington | | \$8,224 | |
| Canon City* | \$1,960 | \$26,040 | |
| Colorado Springs | \$160,505 | | |
| Cortez* | \$2,960 | \$19,806 | |
| Craig* | \$0 | \$0 | |
| Delta* | \$2,623 | \$23,609 | |
| Denver (South) | \$291,323 | | |
| Denver (633 17th) | \$289,121 | | |
| Durango | \$32,595 | \$64,110 | |
| Edwards | Closed due to caseload | Closed September 2018 | |
| Elizabeth | | Closed and relocated in Kiowa | |
| Englewood (Greenwood Village) | Closed-co-located with Arapahoe/Douglas Works | | |
| Fort Collins | \$100,520 | | |
| Fort Morgan* | \$3,423 | \$13,692 | |
| Frisco | State owned-no lease costs | | |
| Glenwood Springs* | \$25,536 | \$34,101 | |
| Golden | \$74,322 | Within same building as County run WFC | |
| Grandby | | \$7,200 | |
| Grand Junction | Capital Complex | | |
| Greeley | \$36,485 | | |
| Gunnison | | \$20,520 | |
| Kiowa | | \$8,400 | |
| Lamar | Closed due to caseload | \$15,117 | |
| LaJunta* | \$9,888 | \$45,027 | |
| Leadville | | Lease ends November 2018 | |
| Limon | \$12,278 | \$5,400 | Assessment pending prior to lease expiration |
| Longmont | \$86,942 | | |
| Meeker | | \$2,016 | |
| Monte Vista | | \$15,983 | |
| Montrose* | \$11,968 | \$51,019 | |
| Northglenn | \$110,304 | | |
| Pueblo | \$112,641 | \$112,350 | Assessment pending prior to lease expiration |
| Rangely | | \$0 | |
| Rifle | | \$7,826 | |
| Salida | \$6,130 | \$5,903 | Current distance is .1 mile |
| Steamboat Springs | \$24,024 | \$25,247 | Current distance is .1 mile |
| Sterling | \$7,547 | \$19,903 | Assessment pending prior to lease expiration |
| Trinidad* | \$3,674 | \$15,406 | |
| Yuma | | \$6,851 | |
| Walsenburg | | \$1,200 | |

*An asterisk indicates the location is co-located with a State run workforce center