



COLORADO
Department of
Labor and Employment

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

November 1, 2019

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 SB 19-207 for the Colorado Department of Labor and Employment, Division of Vocational Rehabilitation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe M. Barela', with a long horizontal line extending to the right.

Joe M. Barela
Executive Director

Cc: Amanda Bickel, JBC Staff

1. Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs, Employment First Initiatives – The Department is requested to submit a report by November 1, 2019 on its efforts to implement the Office of Employment First and other Employment First initiatives. This should include information on the department’s progress in rolling out the new initiatives and baseline data that will be used to measure the state’s progress toward increasing competitive integrated employment for people with the most significant disabilities.

- An interagency agreement between CDLE and JFK Partners has been executed creating the Office of Employment First. The Office Director position has been announced and interviews are being held on September 18, 2019. Once this position is hired, the other FTE that will staff the office, including training & curriculum development positions, will be announced and hired. The Office has already secured work space at CDLE.
- Once the staff is hired, the Office anticipates immediately beginning to address the functions outlined in the interagency agreement, including the delivery of training and awareness activities for families, educators, and community members.
- The State as a Model Employer (SAME) Developer position has been created and filled within DVR. The new SAME Developer has begun work within CDLE to identify and implement processes to increase successful state employment among people who have disabilities, with intent to replicate best practices and effective approaches across other state agencies in Colorado. The Developer is working in close partnership with community partners and stakeholders.
- The Supported Employment Specialist: Intellectual & Developmental Disabilities position has been created and filled within DVR. This position has already begun to address the training needs of DVR staff and other community partners in alignment with the recommendations of the Employment First Advisory Partnership (EFAP).
- The Benefits Counseling Specialist position has been created and filled within DVR. This position is providing training to DVR counselors and staff around the importance of providing effective benefits counseling to individuals seeking competitive integrated employment, as well as coordinating community partner efforts to ensure the availability of high quality benefits counseling services.
- The Supported Employment Specialist: Behavioral Health position has been created and announced within DVR. DVR expects to interview and hopes to choose a candidate by the end of September.
- DVR has begun work to expand the Customized Employment (CE) Pilot conducted last year. The Supported Employment Program Manager will travel to Minnesota in September to research a customized CE curriculum for potential implementation in Colorado. DVR has also incorporated specific CE services into its fee schedule and case management program and provided training to DVR staff on their availability. It is

anticipated that the number of providers (15) who gained training and certification through the CE pilot will double in number through these efforts.

- **Baseline data:** DVR is working with HCPF and other appropriate community partners to gather baseline data or to establish agreed-upon measures and data sources in the following areas:
 - Decrease in the number of individuals earning sub-minimum wage in Colorado
 - Decrease in the number of individuals working in non-integrated settings in Colorado
 - Increase in the number of individuals with disabilities employed in competitive, integrated employment in Colorado
 - Increase in the number of DVR staff who are trained in and knowledgeable of Employment First principles and practices
 - Increase in the number of partners, families and stakeholders who receive training in supported employment and benefits counseling
 - The number of new Individual Placement and Support (IPS), Evidence-based Practice in Supported Employment contracts entered into by DVR.

In early September, DVR held a statewide conference that included specific training on Employment First principles and practices as well as training on benefits counseling, utilizing the new FTE resources allocated. DVR will be tracking the number of trainees as part of the above-mentioned baseline measure for future reporting.

3. Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services-The Department is encouraged to work with vocational rehabilitation and independent living centers to develop cooperative agreements that will enable the State to fully access available federal support for vocational rehabilitation and promote relationships between these entities. The Department is requested to report by November 1, 2019 on its progress in developing these relationships and whether it anticipates cooperative agreements to be implemented in FY 2019-20 and/or FY 2020-21.

Since the Division transferred to the Department, funds from the Long Bill have been distributed in accordance with SB 15-240, with a base allocation of \$600,000 per center and the remainder distributed through the formulaic distribution agreed upon by the independent living centers. At the end of SFY 2019, the Department utilized its statutory flexibility in Section 8-84-105(1)(b.5), C.R.S., to transfer unexpended funds from this appropriation to the case services appropriation for the purposes of match. The Department also included the following contract language in the SFY 2020 contracts to ensure that centers are aware of this change:

“Grantee/Contractor understands and agrees that any State General Funds that Grantee/Contractor does not expend during the applicable State Fiscal Year shall revert to the State or Division of Vocational Rehabilitation for the sole purpose of providing services to

clients, (which Grantee/Contractor as a DVR vendor, may access by providing authorized Vocational Rehabilitation Services).”

The Office of Independent Living Services continually works at developing the relationship with the Centers for Independent Living (CILs). More recently, focus was placed on strengthening the relationship between local VR offices and utilizing CILs as a vendor of VR services. The Office of Independent Living Services implemented training with both the CILs and VR staff to build the relationships. The following table illustrates the growth in VR services provided by ILCs since the transfer to CDLE.

2017	2018	2019
\$61,026	\$77,933	\$145,832

4. Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services-The Department is requested to provide a report by November 1 2019 on the number of individuals receiving vocational rehabilitation services, including: a break-down by category of the number of individuals receiving services and the number for whom a determination is pending, the average cost by category of services; the projected fiscal year expenditures, and the projected balance of the State’s federal vocational rehabilitation account. The Department is also requested to provide data on vocational rehabilitation employment outcomes.

Case Status	Most Significant Disability	Significant Disability	Disability	Total
Eligible	1,415	481	45	1,941
Service	3,603	1,033	118	4,754
Employed	675	253	49	977
Post-Employment	41	15	3	59
Applicant*				741
Total	5,734	1,782	215	8,472

*Individuals in the applicant stage have not yet received a disability priority category.

Disability Priority Category	Number of Clients in Category	Cost per Client in Category
Individual with a Disability	212	\$2,060
Significantly Disabled	1,407	\$2,549
Most Significantly Disabled	5,044	\$2,504
Overall Average	6,663	\$2,499

Long Bill Line Item	Long Bill	Projected Total Expenditures
Centrally Appropriated Lines*	\$4,000,000	\$4,000,000
Vocational Rehabilitation Personal Services	\$16,865,366	\$16,865,366
Vocational Rehabilitation Operating	\$2,539,404	\$2,539,404
Vocational Rehabilitation Services	\$15,301,166	\$15,301,166
School to Work Alliance Program (SWAP)**	\$11,231,277	\$10,447,060
Vocational Rehabilitation Mental Health Services***	\$1,748,180	\$2,157,040
Business Enterprise Program for People Who are Blind	\$1,595,200	\$1,595,200
Business Enterprise Program-Program Operated Stands, Repair Costs, and Operator Benefits	\$429,000	\$125,000
Federal Social Security Reimbursements****	\$2,600,000	\$0
Employment First Initiatives	\$2,396,160	\$2,396,160
Total	\$58,705,753	\$55,426,396

* 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 three state fiscal years to target expenditures to students with disabilities between the ages of 15-21 (Pre-ETS), as the federal awards since FFY 16 have included 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 \$6 million in FFY 2018.

*** In SFY 2019, CDLE 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. Additionally, with the increased flexibility provided by the legislature the Department has been able to utilize unspent match recuperated from prior year Social Security reimbursements to

provide a third year of increased funding. The Department does not anticipate being able to provide this in SFY 21 due to the drop in Social Security reimbursements.

****In FFY 2019, the Department experienced a dramatic decrease of Social Security program income received. Anecdotally, other Ticket to Work providers have also experienced a similar decrease in reimbursements. Possible causes cited have included 1) implementation of a new computer system that rejects claims at a higher rate 2) new administrative criteria for claim payment and 3) backlog of claim processing.

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 anticipates matching and expending the full FFY 19 and FFY 20 award.

In FFY 2019, the Department received an additional \$1.3 million in federal funds in the Basic Support award, for a total FFY 19 award of \$45,794,163. The Division was also able to request an additional \$2 million in federal funds from reallocation by the Rehabilitation Services Agency (RSA) for the FFY 19 award due in large part to its efforts to work with other state agencies. Funds for reallocation are not guaranteed, are not base building to the federal award, and affect the maintenance of effort (MOE) penalty if the Department does not provide the same level of non-federal funding in FFY 21.

Table 5-Projected Balance of VR Grant

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
FFY 19	\$47,794,163	\$47,794,163	\$12,394,100	\$10,554,962	\$0

Disability Priority	Count
Disability	158
Significant Disability	542
Most Significant Disability	1,309
Total	2,009
Average Wage for Successful Closures	
	\$14.69

5. 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, 2019 the number of clients served by each Independent Living Center for the past year, and the distribution of funds by Independent Living Center. The Department is also requested to work with the independent living centers to identify additional outcome measures and discuss these efforts in its report.

<i>Center Name</i>	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Atlantis Community Incorporated	310	415	305	381	291	292	304	214	570	610	612	647
Center for Disabilities dba Center Toward Self Reliance	418	407	395	385	380	395	399	405	399	386	370	384
Center for Independence	155	163	342	171	262	334	279	380	284	272	459	211
Center for People with Disabilities	315	317	278	290	286	289	286	277	282	283	285	275
Colorado Springs Independence Center	194	151	142	144	107	102	136	128	123	132	149	148
Connections for Independent Living	203	423	285	238	392	179	402	202	411	422	416	443
Disabled Resource Services	155	191	172	185	159	192	150	156	156	170	141	199
NorthWest Colorado Center for Independence	97	103	118	120	110	110	120	120	115	118	97	71
South West Center for Independence	52	49	35	47	48	204	92	16		31	36	40
Totals	1,899	2,219	2,072	1,961	2,035	2,097	2,168	1,898	2,340	2,424	2,565	2,418

Source: Exhibit G, Monthly Report Template. CIL monthly report of new and existing individuals with disabilities served per month. The unduplicated count only applies to the month reported and does not transfer across the months.

Table 8 Distribution of General Funds by Independent Living Center SFY 2019-20	
<i>Independent Living Center</i>	<i>General Fund Amount</i>
Center For Independence	\$ 740,087
Center For People with Disabilities	\$ 730,332
Atlantis	\$ 902,501
Connections for Independent Living	\$ 718,191
Center for Disabilities	\$ 876,848
Northwest Center for Independence	\$ 678,999
Disabled Resource	\$ 672,708
Southwest Center for Independence	\$ 686,007
The Independence Center	\$ 795,174
Total	\$ 6,800,847

The Office of Independent Living Services meets monthly with designated Center for Independent Living (CIL) representatives (CIL metrics committee) to discuss outcome measures and the development of a Colorado CIL system annual report. To date, one recommendation of the committee is to utilize data reported annually in their Program Performance Reports required by the federal government. Additionally, the committee reviewed reports distributed in other states for models to be used in Colorado. The committee reached agreement to develop a report following the model developed in Michigan. The committee is working on a draft report to be reviewed by the CIL directors next month for final input. The Office of Independent Living Services will continue monthly committee meetings to finalize report and create adaptations for disseminating to targeted audiences.