

**Wisconsin Rehabilitation Council**  
**DVR Key Program Updates**  
**May 4, 2011**

**I. RSA Program Monitoring**

DVR received the Rehabilitation Services Administration “draft monitoring findings” report on March 21<sup>st</sup>, one year after the week-long on-site monitoring visit in March 2010. The monitoring period – FFY 2004-2008 (9/30/09)

The monitoring review was conducted across three program areas:

Basic VR Program

Independent Living Program

Independent Living Older-Blind Program

There were no surprises in the draft monitoring report based on what we learned during the monitoring team’s visit and during the exit interview in March 2010.

- RSA reported no program compliance findings in any program area. RSA made some recommendations for improving program service delivery or oversight.
- RSA found no expenditure “disallowances” in any program area – our funds expended during the monitoring period were considered to be spent in accordance with federal regulation and intent.
- RSA reported 6 contract and fiscal management compliance findings – DVR agrees with all of these findings as summarized:
  1. Fiscal management in the annual transfer of \$600,000 in DVR funds to DHS to support the statewide independent living program,
    - i. RSA is requiring expanded written conditions in the interagency fund transfer agreement
    - ii. RSA is requiring DVR monitoring and auditing, including ILC on-site monitoring visits for all entities receiving the funds – current desk reviews of service and financial reports are not sufficient.

2. Internal controls and tracking of VR program funds need to be strengthened. DVR will need to increase our “receipt” documentation for specific services and products purchased. For example passing grades from a college as a receipt for the DVR tuition grant will no longer suffice.
3. Assignment of personnel costs - DVR staff working on multiple programs (for example, VR, and IL or ILOB, or VR and the BEP) must have their costs assigned proportionally to the programs on which they work. DVR currently tracks FTE time to each program, but for some programs we have provided staff time “in-kind” without charging the personnel cost to the program funds. This is no longer allowable.
4. Staff working exclusively on 1 federal program (for example the VR Basic Service program) must be certified by DVR at least semi-annually as working exclusively on the program.
5. DVR must establish and maintain written policies by which we govern the rates of payment for all purchased VR services. DVR currently has established rates of pay in our published fee-for-service schedule, and policies regarding the use of other established fee schedules for other purchased services (e.g. the Medicaid payment schedule), and we have a lowest comparative cost procedure for open market products. However, these policies and DVR’s rationale governing their use as well as a process for reviewing our rates of payment need to be maintained in one written policy document.
6. DVR must cease permitting DHS to monitor the expenditure of OIB funds and submit a written assurance to RSA that DVR will develop policies and procedures for monitoring the expenditure of OIB funds by DHS and the activities supported by the grant and change our MOA to reflect WDVR’s monitoring responsibility.

#### Next Steps:

Since March 21<sup>st</sup>, DVR has submitted “technical edits” to the draft report with most edits accepted by RSA.

DVR has also submitted a formal “response” to recommendations and findings. In areas where we agree with the recommendations for program improvement, we indicate whether we wish to receive technical assistance from RSA. We also notified RSA in our response that we agree with the 6 fiscal compliance findings and made requests for RSA technical assistance in some areas of these findings. Technical assistance requests ranged from advice and guidance support to resolve the finding to a review of DVR’s modified procedures and policies.

DVR is awaiting the “final monitoring report” document which is currently in clearance within the Department of Education.

After receiving the final report, we will work with RSA staff to establish a compliance action plan and timeframe for resolving each of the 6 compliance findings.

## **II. DVR Funding in Biennial Budget Bill (July 1, 2011 – June 30, 2013)**

There are three levels of state funding for DVR that have been discussed and advanced from DOA or the Department during the current biennial budget considerations.

1) The Department leadership requested from DOA \$16,226,800 in GPR match funding level for 2012 and for 2013. The anticipated full-match level to capture all federal funds available to DVR over the biennium is \$16,457,300 in each year.

2) At a minimum DWD discussed with DOA securing sufficient funding to achieve our federal “maintenance of effort” (MOE) state funding level. MOE is a federal calculation based on a 2 year look back state funding level. For example, MOE state funding for FFY 12 is the state match level DVR made in FFY 10.

The MOE level for 2012 and 2013 is \$15,061,100 for each year of the biennium (\$1.4M less than full GPR match funding in each year).

If DVR does not achieve at least the MOE level of funding, we are subject to possible federal penalties on Wisconsin’s federal fund allocation unless we can secure a waiver of the penalty.

3) SFY 2012-2013 biennial budget amounts, resulting from the current budget adjustment bill, left DVR's GPR \$734,200 short of the MOE funding level over the biennium.

Because the Department leadership understood how important it is to fund DVR services at the MOE level to avoid federal funding penalties and longer wait lists for DVR services, the Department suggested to DOA that GPR from other areas of the DWD budget be put into the DVR budget to make up the MOE shortfall.

DWD, therefore, is recommending to DOA that DVR be funded at the MOE level. We anticipate seeing a budget bill that will include \$15,061,100 in GPR for each year of the biennium for DVR.

The State's Biennial Budget Bill is currently under review by the Joint Finance Committee and is anticipated to move from Joint Finance to the Wisconsin Assembly and Senate for a vote within the next month, and after passage to the Governor's desk for final review and signature.

Mike Greco

### III. DVR Staffing Update

15 - DVR retirements and staff departures between January-June  
6 VRC retirements; 3 VRCs resigned health or other reasons  
3 CCC retirements  
2 WDA Director retirements (1 opening due to promotion)  
1 CO Financial Specialist transfer

DVR has received permission to fill 38 positions:

25 Vocational Rehabilitation Counselors  
9 Consumer Case Coordinators  
2 Workforce Development Area Managers; 3<sup>rd</sup> in process  
2 Central Office Fiscal/Contract Staff

Snapshot staffing complement on April 1

244 field staff  
– 163 Vocational Rehabilitation Counselors  
• Licensed Professional Counselors  
– 60 Consumer Case Coordinators  
– 21 Field Managers

26 Statewide Administrative Support Staff

DVR currently has 22 Project Positions in place and a number of these Project staff will be competitive candidates for the permanent positions. Following the 39 permanent fill opportunities we expect to be at a 5% vacancy rate.

Once this is achieved we are planning to increase our wait list invitations for service plans.

Additionally we are sending out 1,100 letters to individuals that have been wait listed for more than 1 year. All are in Category 3. It is expected that this action will result in a significantly lower numbers on our wait list and ensure a wait time well within our 6 month parameter.