DEED / Vocational Rehabilitation Services

VRS Community Rehabilitation Program Advisory Committee

Friday, September 27, 2019 – 10:00 am – 2:00 pm

VRS St Paul Fairview Office

# VRS CRP Advisory Committee – Meeting on September 27, 2019

Key Messages for the Greater Vocational Rehabilitation Community:

*Note: Key Messages are first distributed via .govdelivery approximately one week after the meeting and posted on the DEED website.*

This meeting of the VRS CRP Advisory Committee focused on several key updates that occurred over the summer following the Committee’s last meeting on May 17th.

**VRS Leadership Transition**

* DEED is in the process of securing a new VRS Director. The process began in August and is being led by DEED’s assistant commissioner for workforce services, Carol Pankow. John Fisher is serving as Interim Director. DEED Commissioner Steve Grove will participate in the final round of the selection process which DEED hopes to conclude in late October.
* VRS leadership team is working closely with Carol Pankow, to maintain stability and to ensure a smooth transition during this interim period.

**Minnesota Receives $4MM Federal Re-allotment Funds**

* RSA uses a complex calculation to determine each state’s VR Program annual funding maximum and requires states to secure approximately $1 state dollar match to draw down every $4 dollars from the federal funds for both general and SSB VR agencies.
* Historically, Minnesota’s VRS and SSB agencies have been fortunate to be fully matched by state funding; however, many states are under matched so states unable to meet the 1 to 4 match requirement must return unmatched funds to the treasury and then RSA is allowed to reallocate returned funds to those state agencies with excess state matching dollars who apply for additional federal funds.
* This year VRS requested and received $4MM in reallocation funding from RSA. This is great news and will help address pressing fiscal challenges. Per WIOA, 15% of the reallocation funds received ($600,000) must be dedicated to Pre-ETS services. VRS has one year beginning October 1, 2019 to use the funding.

**Recap of August RSA Federal Monitoring Visit**

* In August, a Rehabilitation Services Administration (RSA) monitoring team came to Minnesota for the first time since 2010.  The official report is not anticipated for at least a year, but there are several things DEED-VRS will address immediately. Of interest to our community partners, RSA emphasized VRS’s responsibilities to conduct effective contract management with a greater focus on outcomes compared to costs as well as greater attention to quality standards especially for providers without CARF accreditations. RSA also communicated a clear expectation that Minnesota develop a consistent standard for rate setting including methodology and structure. VRS anticipates engaging with the CRP Advisory Committee and community partners to help address the key concerns and opportunities raised by RSA’s visit.

**Section 511 Youth**

* Another important aspect of any RSA review is the opportunity it gives the RSA monitoring team to provide immediate technical assistance to DEED-VRS on a variety of focus areas. VRS was pleased to receive this assistance in one area in particular: the implementation of WIOA Section 511 requirements. The changes brought on by WIOA have created a significant burden for VR programs. The monitoring team acknowledged this to be the case and provided verbal guidance to VRS which now changes the process for *allowing* a youth, age 24 or under, to enter subminimum wage employment if the youth is not interested in competitive integrated employment (CIE).
* Going forward, the monitoring team gave Minnesota’s VR Program the OK to do the following:
	+ Emphasize “*Informed* Choice” for individuals under 25 years old
	+ Allow individuals and families to say that they have no interest in pursuing competitive integrated employment, and to accept that as sufficient reason to determine them to be ineligible for VR services because they are not able to benefit from services.
* If a youth, age 24 or younger, applies for VR services and is not interested in competitive integrated employment, VRS counselors can then close the youth’s case as ineligible for services.  The counselor will then complete the 511 documentation and provide it to the youth (or parents/guardian) without the need to provide an assessment or work evaluation/work experiences in the community.  The documentation or paperwork to allow a youth to enter subminimum wage employment remains the same as before.  Of course, in the process of providing the youth with informed choice, the counselor will provide information about CIE, supported employment (which can include customized employment), subminimum wage employment, as well as leisure/recreational activities not involving work.

**Shifting from Grants to Contracts and LUV Limits**

* During the monitoring visit, RSA reiterated that federal regulations prohibit granting of VR funds. Thus, DEED-VRS is shifting two activities that have previously been provided through grants to P/T contracts. Previously, DEED-VRS granted funds through the VR/IL Collaboration to the Centers for Independent Living for benefits coaching services. DEED-VRS also previously granted funds to Title I partners, 180 Degrees, ProAct, and Goodwill to provide Pre-Employment Transition Services. DEED-VRS has asked those service providers to either enter into a P/T contract with us to provide these services or add the services to their existing P/T contract. In order to facilitate the transition from grants to a fee-for-service contract model, it is necessary for DEED-VRS to raise the spending limit for Limited Use Vendors that are Centers for Independent Living or for organizations who received a Pre-ETS grant from 2017-2019. The current limit is set at $20,000/year, $40,000 over two years and will be increased to no more than $150,000 per year or $300,000 over two years only for these entities at this time.
* The LUV limit for most providers is not changing at this time and remains at $20,000/year, $40,000 over two years. DEED-VRS will open the discussion regarding raising the LUV limit for all providers in the coming months for several reasons. First, it is important that DEED-VRS ensure there are community partners available to offer individuals in the VR program adequate choice in selecting a service provider. Second, DEED-VRS has committed, as part of the MOU discussions with DHS, to work towards a common provider pool with 245D providers to allow for service continuity between the funding streams where possible. This discussion will include how to build a structure of quality assurance and accountability for community partners who provide services to individuals in the VR program.

**Update on the Memorandum of Understanding**

* After a few years of joint work, we’re pleased to announce that DEED VRS and State Services for the Blind have an approved memorandum of understanding (MOU) with the DHS Disability Services Division. Directors from all three agencies signed the MOU on Monday, September 23.
* The terms of the MOU are specific to individuals on an HCBS waiver (DD, TBI, CADI, CAC) who want to pursue competitive, integrated employment. Employment First and Person-Centered principles form the basis of the shared vision for how our agencies will work together to provide employment services for people with disabilities in a seamless and timely manner.
* The goal is to align systems so that common customers – those who receive home and community-based service disability waivers and want to pursue competitive, integrated employment – get seamless and timely supports to make informed choices and meet their competitive integrated employment goals.
* While we now have a signed MOU, the roll-out and implementation of the agreements in the MOU will not happen right away. We anticipate that January 2021 is when any MOU changes will begin to take place. In the meantime, we are beginning the intense work of developing and implementing the MOU work plan and strategic plan to gather key stakeholder input (including from front line staff with VR, CRPs and the lead agencies) that will build the process of how to implement these agreements. In addition, DHS will need to seek changes to waiver rules during the 2020 legislative.
* DHS’s [Interim Guidance](https://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs-305378) will remain in place while we work on the implementation and roll out of the MOU guidance. Communication, training, and guidance will be coming out over the next few weeks on the MOU, as well as the work plan and stakeholder engagement process. We will be working with two consultants to help us develop our strategic communication and stakeholder engagement as part of the MOU work plan.
* The development and signing of this MOU represent significant forward progress that will allow VRS to provide better and more effective services to the people we serve.

*End of Key Messages*