



Commission to Study the Division of Rehabilitation Services (DORS)

Meeting Session #6

February 13, 2023



Overview of Commission Responsibilities

1. Overview of Commission Responsibilities
2. Continuation of Topic #7 –Should the Division of Rehabilitation Services be moved to another State Agency.
3. Continuation of Topic #8 –Should the Division of Rehabilitation Services be moved to another State Agency.

The important role of Commission members, discussions, and recommendations.

Legislative Context

- The Maryland General Assembly has set the following expectations:
 - The Maryland General Assembly passed HB 660 in Spring 2022.
 - HB 660 requires that a “Commission to Study the Division of Rehabilitation Services” be established.
 - The new Commission is to meet at least 5 times and discuss a set of 10 different topics.
 - After the Commission evaluates and makes recommendation on each topic, the Commission is to submit a report to the General Assembly and Governor.
 - An interim report was submitted on December 15, 2022.
 - The final report is due by March 15, 2023.

Required Topics for Discussion for the Commission

1. Methods for improving stakeholder input on the Division of Rehabilitation Services' programs and services
2. Methods for improving the relationship and communication between transition professionals working at the Division of Rehabilitation Services and the Developmental Disabilities Administration
3. Methods for improving the amount of time it takes to provide vocational rehabilitation and transitional services
4. Methods for improving public-private partnerships to assist more Division of Rehabilitation Services' clients
5. Methods for improving accountability and transparency of the Division of Rehabilitation Services' programs and services
6. Whether the eligibility criteria for the Division of Rehabilitation Services' programs and services should be altered
7. Whether the Division of Rehabilitation Services should continue to be a division of the State Department of Education or should be transferred to another State agency
8. If the Commission determines that the Division of Rehabilitation Services should continue to be a division of the State Department of Education, whether the Division of Rehabilitation Services should have a governing board separate from the State Board of Education
9. Whether there are specific budgetary requests that could support the job training programs provided by the Division of Rehabilitation Services
10. Any other improvements to the Division of Rehabilitation Services' programs and services the Commission considers appropriate

Today's Focus Topics- Continued

- Commission Topic #7- Whether the Division of Rehabilitation Services should continue to be a division of the State Department of Education or should be transferred to another State agency.
- Commission Topic #8 - If the Commission determines that the Division of Rehabilitation Services should continue to be a division of the State Department of Education, whether the Division of Rehabilitation Services should have a governing board separate from the State Board of Education



Implications of Reorganizing a State Agency

1. Overview of Commission Responsibilities
2. Continuation of Topic #7 –Should the Division of Rehabilitation Services be moved to another State Agency.
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The requirements, implications, and costs to reorganize the Vocational Rehabilitation Program

Recap from Session 5

- **Twenty-two VR agencies** are Designated State Units (DSU) within a larger state agency called Designated State Agencies (DSA). These agencies are also responsible for Titles I, II, and III of the Workforce Innovation and Opportunities Act (WIOA).
- **Twenty VR agencies** are housed in a Rehabilitation focused agency or an Independent Commission.
- **Twenty VR programs** are DSUs within DSAs whose primary focus is Social and Human Services.
- **Ten VR programs** are DSUs within DSAs whose primary focus is Education.
 - This would include Maryland
- **Five VR programs** are DSUs within DSAs that provide several disability services in the State.
- **One VR program** under federal law only one agency reports directly to the Governor.

Recap from Session 5

Maryland

- State Population – 6.1 million
- The Vocational Rehabilitation Program is overseen by MSDE.
- The Vocational Rehabilitation Program is a combined program.
- FY 22 VR Federal Funding - \$48,623,984
- Federal Funding per person - \$7.97
- State Match Requirement - \$13,159,985
- Order of Selection: Yes, Categories:
 - 1 (open), 2 (closed) but individuals are being rolled off at this time, and 3 (closed)
- Waitlist – 2,777 individuals Category 2
- DORS has 136 VR counselors in the Offices of Field Services and Blindness and Vision Services.
- Of the 136 VR counselor positions, 124 are filled or about to be on boarded.

Recap from Session 5

Category 2

Disability classifications are not based on the type of disability a person has, but rather the effect of that disability on a person's ability to work. An individual with a "significant" disability is an individual whose disability is significant enough that it affects at least one or two of the six core functioning domains: seeing, hearing, mobility, communication, cognition, and self-care.

Waitlist

In July 2021, Superintendent Choudhury and the Maryland State Department of Education made a concerted effort to address the low salary issue for VR counselors at DORS. The outcome of this initiative is that DORS has been able to retain existing staff and attract new VR counselors. By reducing the high number of staff vacancies has allowed DORS to begin to open up services for individuals who are on the Category 2 waiting list. While Category 2 is still closed for new applicants, the number of individuals on the waitlist has remained fairly stable since September when DORS began moving individuals off the list. Since September, DORS has rolled off everyone who have been waiting since 2017 and has begun that process for individuals who were placed on the waitlist in 2018. DORS has worked to reduce the waitlist which stood at 3,280 in June 2020. As of today, the waitlist number is 2,780

Recap from Session 5

Maryland Governance (2 of 3)

- The Maryland State Department of Education is overseen by the State Board of Education. The State Board has **fourteen members that are appointed by the Governor and approved by the Senate.**
- The **Superintendent of the Maryland State Department of Education is appointed by the State Board.**
- The **State Rehabilitation Council is appointed by the Governor** to review, analyze and advise on the VR agency's overall performance.
- The Vocational Rehabilitation Program is under the **Superintendent** and the Deputy State Superintendent for Organizational Effectiveness.
- The Vocational Rehabilitation Program is responsible for the **Disability Determination Services.**

Recap from Session 5

Maryland Governance (2 of 3)

- State Rehabilitation Council (SRC)
 - Must have a **minimum of 15 members** that represent a wide cross section individuals.
 - Individuals with or represent individuals with disabilities, Client Assistance Program, business and industries, service providers, Special Education, and the State's Workforce Board
 - The SRC function is to **review, analyze, and advise** the VR agency regarding overall **performance of the agency**, which includes:
 - Eligibility and Order of Selection,
 - Effectiveness of services being provided, and the functions performed by the VR agency.

Recap from Session 5

Maryland Governance (3 of 3)

- State Rehabilitation Council
 - The SRC meets a **minimum of four times a year**. These meetings are advertised on the SRC website and other social media platforms. The meetings are open to the public and SRC allows for a public comment period during each meeting.
 - SRC **reviews at each meeting** the agency performance data, customer satisfaction results, discusses major policy changes being proposed by the agency, and discusses issues that might have a bearing on service delivery.
 - SRC Website [MD SRC](#)



Reorganization of the VR Program

Requirements to Move the VR Program

National Overview of VR Programs That Have Been Moved (1 of 2)

- **Utah (Combined)** moved from State Board of Education to **Department of Workforce**.
- **Texas Commissions for the Blind and General** moved from Texas Department of Assistive Technology and Rehabilitative **Services to the Texas Workforce Commission**. After the move, Texas VR programs were **converted to a Combined program**.
- **Colorado (Combined)** moved from the Department of Human Services to the **Department of Labor and Employment**.
- **Connecticut Blind and General** moved from the Department of Rehabilitation Services to a newly create agency, the **Department of Aging and Disability Services**.

National Overview of VR Programs That Have Been Moved (2 of 2)

- **Arkansas Blind and General** agencies moved from separate State agencies to the **Department of Commerce/Division of Workforce Services**.
- **Kentucky Blind and General** VR programs were consolidated to create a **Combined** agency, the **Designated State Agency** did not change.
- **West Virginia Combined** moved from the State Board of Education to the **Department of Workforce Services**.
- **Michigan Blind and Combined** moved from two separate State agencies to **Department of Labor and Economic Opportunities**.

Options to Structure VR Programs

- The State may structure the governance of the VR program in a variety of ways:
 - As an **independent organization** as its own **Designated State Agency (DSA)**, or
 - Locate the VR program as the **Designated State Unit (DSU)** within another State agency as the DSA.
- In either event, the State must ensure that the DSU:
 - **Primarily concerned with the VR**, or VR and other rehabilitation of individuals with disabilities, and is responsible for the VR program;
 - Administered by a **fulltime director**;
 - Employs **staff to perform the rehabilitation work** of the DSU; and
 - **Has official organizational status** within the DSA that is comparable to other major organizational units within the DSA.

Governance Requirements of The DSU That Are Non-Delegable

- The **determination of eligibility**, the nature and scope of services, and the **provision of those services**.
- The **determination that an individual has achieved an employment outcome**.
- The **formulation and implementation of agency policies**.
- The **allocation and expenditure of VR funds**.
- The participation of the DSU in the **one-stop service delivery in accordance with the Workforce Innovation and Opportunities Act**.

Governance Requirements Prior to an Agency Move

- **Public meetings** are held to **seek input** from the disability community about the transfer and the potential impact of that transfer. The public hearings would need to **also cover all federal sub-programs** that are overseen by the VR program such as:
 - Independent Living Older Blind
 - Independent Living
 - Randolph Sheppard
- The State's **Workforce Innovation and Opportunities Act (WIOA) State Plan must be amended** to reflect **all changes that will occur as a result of the transfer** of the VR program from the current Designated State Agency (DSA) to the new DSA.
- If the VR agency is the Designed State Entity for the Independent Living program, then the **Statewide Plan for Independent Living must also be amended to reflect any changes** that result of the transfer of the VR program to a new DSA.

Transfer Agreement

- **Specifies what funding the current DSA will need to pay all outstanding obligations generated by the VR program and all federal grant sub-programs operated by the VR program prior to the transfer date.**
- **Specifies who the new DSA will be and the amount of funds that will be transferred from the existing DSA's grant award to the new DSA, and on what date the transfer takes effect.**
- **If carry-over funding from any of the federal grants is involved in the transfer, then permission must be granted by the Rehabilitation Services Administration to include the carry-over funds in the Transfer Agreement.**
- **Both DSAs will be required to submit financial reports on the expenditure of funds for the federal grants that were involved in the transfer.**

State Requirements

- **Establish appropriations for federal, State, and special funds in new DSA** and all necessary accounting pathways and codes to allow for continuation of services.
- **Negotiate with Unions** (if required).
- **Move all personnel records** from current DSA to new DSA for purpose of recruiting, hiring, termination, and payroll.
- **Reprogram DSU's case management system** accounting interface with the State accounting system so providers and clients can continue to receive payments.
- **Transfer all equipment and property** from current DSA to new DSA.
- **Amend all contracts, leases, grants, MOUs, and agreements** to reflect change to the new DSA.



Reorganization of the VR Program

Potential Cost to Move DORS

Exploration of Moving to the Maryland Department of Disabilities (DoD)

- In 2019, DoD and MSDE explored what it would cost to move DORS to DoD.
- DoD receives services from the Governor's office and the Department of Budget and Management to handle the accounting, budget, personnel, and procurement functions of DoD.
- Neither organization had the capacity to handle the transfer of DORS to DoD.
- One major finding was the need to build a new back-office organizational structure in order for DORS to be able to transfer to DoD.
 - ie. HR, Technology, Procurement, Internal Audit, EEO, etc.

Exploration of What It Take to Move DORS to DoD Today

- It would take approximately **32 additional positions** to create the back-office operation at DoD.
 - **17 fiscal staff** that would include **fiscal managers**, accountants, budget analyst, internal auditors, procurement officer and agency buyers, and fiscal support staff.
 - **15 Human Resource** staff that would include Employment Equity Officer, Employee Relations officers, Talent Acquisition officers, health benefits and retirement coordinators, time keeping, and HR support staff.
- Approximately **\$3.4 million would be needed**; a combination of State funding and federal indirect funds.

Exploration of Moving to The Either The Department of Health or to The Department of Labor

- Both agencies are larger and have established operations.
- At the **Department of Health:**
 - **MDH provides some of the services** such as the Human Resources, EEO, internal auditing and some budget and accounting. Both Behavioral Health Administration (BHA) and DDA have staff who provide both accounting and budgeting services.
- At the **Department of Labor:**
 - Within the Department of Labor, there is an **Office of Administration that provides the major HR, accounting, and budgeting services.** Staff from this Office are assigned to the individual Divisions.
- The cost to move DORS from MSDE to either of these two Departments **cannot be determined until a thorough internal analysis is completed** to determine what additional resources would be needed to absorb a **\$115 million program and 640 staff.**



Reorganization of the VR Program

Exploration of Creating a Separate Board For DORS Within The Maryland State Department Of Education

Exploration of Creating a Separate Board for DORS Within The Maryland State Department Of Education

- **Cost will depend on the statutory authority that the new Board will have over DORS and the State Director.**
- **If the Board is set up in accordance with the State Rehabilitation Council requirements, then the cost to provide support to the Board will be minimal.**
 - **However, a needs assessment would need to be done to determine if a new board is duplicative of the State Rehabilitation Council.**
- **If the Board is set up to have full independent control over DORS, the selection of the State Director, the annual performance review of the State Director, and negotiating and setting of the salary of the State Director, then the cost will be significantly higher.**
 - **At this point, the Maryland State Board of Education ceases to be the Designated State Agency, with the newly created Board and DORS being redesignated as the DSA.**
 - **However, depending on the resources for back-office services of the State Department of Education, under the State Superintendent, creates resource and oversight challenges.**
 - **Additionally, there will be indirect financial costs to MSDE.**

Rehabilitation Act Requirements

- Section 101(a)(21)(A) of the **Rehabilitation Act** requires the **State plan to specify that the designated State agency (DSA) either:**
 - **Is an independent commission; or**
 - **Has established a State Rehabilitation Council (SRC) pursuant to section 105 of the Rehabilitation Act.**
- **Most states have established an SRC to work in partnership with the DSA and the DSU. Maryland has an SRC.**
- **A few State VR agencies are organized as "independent commissions."**
- **The Rehabilitation Act sets forth general requirements for the composition and functions of these independent commissions, whereas, with the SRC, the Rehabilitation Act is very prescriptive in terms of composition and functions.**

Requirements for DSAs Claiming to be an Independent Commission

- **DSA's State Plan** must provide that the **DSA is an independent commission**.
- The **independent commission must be responsible** under State law for operating, or overseeing the operation of, the VR program in the State.
- The independent commission must be **consumer-controlled by persons** who:
 - Are **individuals with disabilities** that substantially limit major life activities.
 - **Represent individuals with a broad range of disabilities**, unless the DSU under the direction of the independent commission is the State agency for the blind.
 - The **independent commission must include family members, advocates, or other representatives** of individuals with mental impairments.
- The independent commission must perform the functions listed in section 105(c)(4) of the Rehabilitation Act.

Rehabilitation Act Requirements for an Independent Commission

- **Section 105(c)(4) of the Rehabilitation Act require the independent commission to conduct, to the extent feasible, a review and analysis of the effectiveness of, and consumer satisfaction with:**
 - **The functions performed by the DSA;**
 - **VR services provided by State agencies and other public and private entities** responsible for providing VR services to individuals with disabilities under the Rehabilitation Act; and
 - **Employment outcomes achieved by eligible individuals** receiving services under Title I of the Rehabilitation Act, **including the availability of health and other employment benefits** in connection with such employment.

Overview of Resource Requirements

- It would take at least **34 additional positions** to create the DORS back-office operation and to support a new separate DORS Board.
 - **17 fiscal staff**, including fiscal managers, accountants, budget analysts, internal auditors, procurement officers and agency buyers, and fiscal support staff.
 - **15 human resources staff** that would include Employment Equity Officer, Employee Relations Officers, Talent Acquisition Officers, health benefits and retirement coordinators, time keeping, and HR support staff.
 - **2 individuals, an Executive Director and Support Staff** to support the activities of the Board.
 - Approximately **\$3.6 million would be needed**; a combination of State funding and federal indirect funds.



Reorganization of the VR Program

National Perspectives from VR Directors on Governance Structures

Summary of Lessons Learned (1 of 3)

- Agency was moved by Executive Order with little notice to the State's Workforce Agency.
- Agency was moved during a time that did not correspond with either the State or federal fiscal year close-out.
- Agency structure does not match the federal requirements for the placement of the VR program within the Designated State Agency organization.
- DSA uses the VR program as a new revenue source and often creates administrative overhead cost to generate additional revenue for the DSA.
- The VR program is a Statewide program where the other labor programs are locally controlled, leading to conflict between the two programs.
- The Workforce program attempts to apply the US Department of Labor regulations in governing the VR program.
- Agency lost staff as a result of the move.
- Program disruption occurred as a result of the transfer.

Source: Engagement with VR directors from multiple states.

Summary of Lessons Learned (2 of 3)

- Agency was moved as part of a **Statewide reorganization of all state agencies**.
- Agency was **moved to the Workforce Development Division**, which is **part of a larger State agency**. However, the agency is considered the Designated State Agency due to its Commission Board.
- The **State Director of the agency reports to the Director of the Workforce Development Division**.
- The Executive Directors of the Workforce Development Division are at the State's Executive Management pay scale, the **State Director of the VR program is on the civil servant scale**.
- The VR agency **faced challenges in accessing funding** from their VR grant or State funding in a **timely matter**.
- **All services ceased during the transition time**, since the agency could not pay its vendors, due to back-office disruption.
- **Agency received a loan from the State Treasury to pay staff during the transition**.

Source: Engagement with VR directors from multiple states.

Summary of Lessons Learned (3 of 3)

- The VR program was **moved as a result of the State's scheduled review of all State agencies** to determine if the State should reauthorize the agency function in State government.
- The VR program was met with open arms from the Workforce Agency, and **adequate time was built in to support the transition.**
- There was a **disruption in services** as the VR agency was assimilated into the Workforce system. The VR program was buried within the Workforce system.
- There was a **culture clash between programs, focusing on local control vs statewide**, since the VR program operates much **differently than other workforce programs.**
- **Staff turnover increased.**
- The number of **individuals seeking services has dropped** after the move and **has not returned** to levels prior to the move.
- After **facing customer service challenges** as a result of the transition, the Workforce Agency has taken steps in the last couple of years to **bring more focus and prominence to the VR program and services.**

Source: Engagement with VR directors from multiple states.

Major Lessons Learned: VR Governance

- **Challenges with grant administration:**
 - Access to GAN, G5, and ability to expend funds
 - **Continuity of services**
 - **Compliance with the non delegable functions** governing the VR program and implementing regulations
 - **Director at commensurate level** within the DSA/reporting structure
 - **DSU Director authority to expend funds**
 - **Authority over the agency's policies**
- **Case management systems** and financial management system issues
- **Lack of understanding** of the complexity of the VR grant
- **Staffing shortages** and an inability to hire vacancies

Source: Engagement with VR directors from multiple states.

Guiding Question

Should the current governance of the Division of Rehabilitation Services be changed?

Upcoming Meeting

- Monday, March 6, 2023 - 1:00 pm to 3:30 pm
 - State Superintendent Choudhury will present on the support and collaboration of the various Division/Offices within Maryland State Department of Education for the Division of Rehabilitation Services.
 - Topic #10 - Any other recommendation to improve the Division of Rehabilitation Services.
 - Review of Final recommendations.