How to Use Partnerships to Maximize Vocational Rehabilitation Services

Policy Summary

Every year, tens of millions of dollars in federal vocational rehabilitation ("VR") grant funds go unused. **By capitalizing on partnerships, states can harness these funds to catalyze economic development.** States can direct these funds towards empowering individuals with disabilities to secure competitive, integrated employment opportunities—fostering economic growth and inclusivity in the workforce.

The key to leveraging VR partnerships to their fullest potential is ensuring the partner agency understands the value they are receiving in exchange. VR agencies provide a wide range of services to individuals with disabilities.

VR Services:

- Career Exploration
- Job Search and Placement Assistance
- Training, Education, and Skill Building
- Vocational Counseling
- Post-employment Support
- Private Sector Engagement
- Disability Innovation Fund
- Self-Employment/Business Ownership
- Assistive Technology and assistive supports
- Supported Employment/Customized Employment

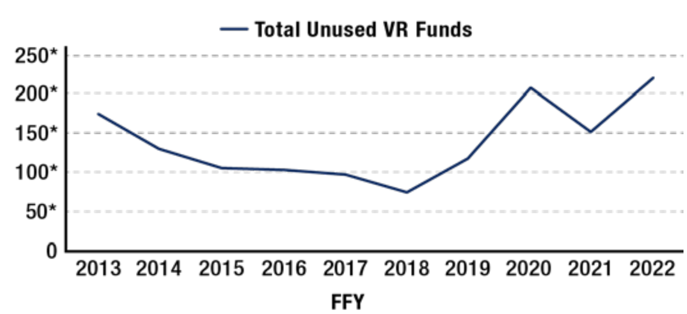
These services naturally lend themselves to seamless interplay with other agencies' missions. The difference is that any funds provided to VR agencies are matched by the federal government at a ratio of 21.3:78.7—effectively tripling any investment from the partner and ultimately providing an increased level and number of services offered to individuals with disabilities in their state.

Background

States can increase their investment in VR programs by taking full advantage of the allocated federal VR funds. For states to receive the full amount of their allocated federal VR funding, they must first provide the specified state appropriation.

The most flexible way to achieve this "full match" is with state-provided funding directly to the VR program. Yet, many states are not meeting their designated funding requirements and leaving millions of dollars in federal grants unused in the process. Figure 1 shows the total unspent federal VR appropriation.

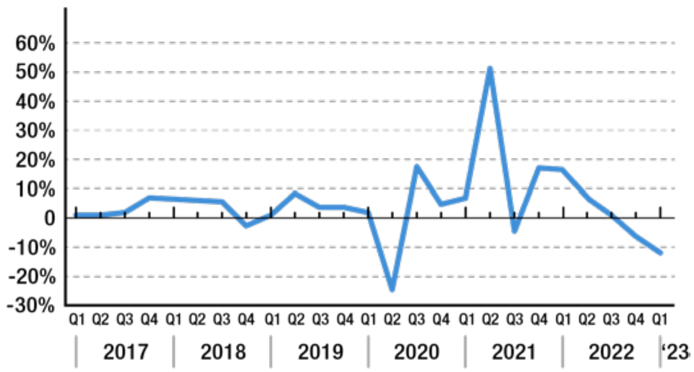
Figure 1
Unused VR Appropriation at End of Award Period



Source: Rehab. Servs. Admin., CSAVR Fall Conference presentation

Even though federal allocation of VR funding is increasing, overall state budgets are decreasing. In total, 48 states plus D.C. have initiated some kind of tax cut since 2021 that will translate to some form of budget reduction. 26 states have implemented a tax cut that will account for a 3.6% reduction in their entire state-wide budget.

Figure 2
State Revenues Declining From Spike
(Real year-over-year change in revenue from major state taxes)



Source: Center on Budget and Policy Priorities. Data: The Urban Institute

Figure 2 shows the change in overall state budgets since 2017 Ideally, states would fully fund their VR program(s). But for those states where this is not an option, there are alternative ways "to maximize their ability to expend all available Federal funds to serve individuals with disabilities."[1]

Policy Position

Alternative sources to state funding for achieving full match are highly underutilized for a variety of reasons, but often due to increased federal oversight and reporting. Increasing awareness and understanding of the availability of these additional sources for VR funding is essential for states to receive their full allotment of federal VR funding.

Achieving full match ensures states are enabling employment for as many individuals with disabilities as possible. The best way to put people to work is to use these federal funds that are already allocated for exactly that purpose.

Interagency Cash Transfers

One of the methods to obtain additional funding is through interagency transfers. "VR agencies can receive non-Federal funds from other State or local public agencies to enhance and improve the provision of VR services to individuals with disabilities, including persons with developmental disabilities or mental illness."[1] State VR agencies can use these funds to obtain their federal funding match, so long as they use these funds to assist individuals with disabilities obtain competitive, integrated employment.

In the face of widespread budget cuts, these partnerships make limited state funds go farther. Interagency transfers are a tool to increase capacity across multiple state agencies by leveraging the federal VR funding match.

[1]U.S. Dep't of Educ. Off. of Special Educ. And Rehab. Servs., RSA-TAC-23-01. RSA provides detailed information and specific requirements for allowable non-federal VR sources, including interagency transfers.

Many agencies have similar missions to VR such as—

- Developmental Disabilities Councils
- Departments of Education
- Departments of Disability Services
- Departments of Mental Health
- Departments of Medicaid Services

  This list is non-comprehensive; other state agencies may also make suitable VR partners

These agencies can transfer some of their state-allocated funds to the VR agency, who then receives a match at a rate of 21.3:78.7 from federal funding. VR can use these increased funds for a purpose aligned with both agencies' goals—and stretch their funds farther than if the partner agency was pursuing the goal alone.

Future Outcomes

State VR agencies have several options available to them to reach full match—even if wholly state-allocated VR funding is nonviable. "VR agencies are uniquely positioned to influence the employment success of individuals with disabilities through the investment in training and services to employers . . . Quite simply, employers should have access to skilled workers to compete in the global economy, and skilled workers with disabilities should have access to high-paying careers."[1]

By leveraging partnerships, VR agencies can ensure they are maximizing their federal funding to amplify their impact for people with disabilities to obtain competitive integrated employment. These additional funding pathways provide State VR and other state agencies the opportunity to strengthen services and training—maximizing services offered to corporations, businesses, and industry to increase the number of people with disabilities working in their states.

Note: To Increase the use of these opportunities, RSA and State RSA Liaisons can play a vital role by providing support and encouragement to SVRA's in the use of third-party partnerships, such as interagency transfers.

Figure 3
Illustration of increased funding from partnerships leveraging federal VR funds