



UTAH STATE OFFICE OF REHABILITATION

FEDERAL FUNDS

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: STEPHEN JARDINE

ISSUE BRIEF

SUMMARY

Utah Code Annotated, Section 63J-5-201 states, "The Legislative Fiscal Analyst shall submit a federal funds request summary for each agency to the legislative appropriations subcommittee responsible for that agency's budget for review during each annual general session. Each legislative appropriations subcommittee shall review the federal funds request summary and may recommend that the agency accept the federal funds or participate in the federal program for the fiscal year under consideration or recommend that the agency not accept the federal funds or not participate in the federal program for the fiscal year under consideration." The Utah State Office of Rehabilitation (USOR) anticipates no increase in its federal funds for FY 2012. The USOR FY 2012 budget includes a total of \$54,549,200 in federal funds. This total includes \$1,827,200 of federal ARRA stimulus funds. The USOR FY 2013 budget request includes \$59,183,400 of federal funds. \$40,128,400 of this amount is in the Rehabilitation Services program and \$13,674,100 in the Disability Determination program. The estimate of these federal funds is subject to any subsequent actions taken by the Legislature with regard to reductions in state appropriations.

LEGISLATIVE ACTION

The Analyst recommends:

1. The Subcommittee allow the Utah State Office of Rehabilitation to accept the federal funds shown in Table 1 on page 2 in this brief and direct the Fiscal Analyst to include these federal funds and associated federal programs in the annual appropriations act.

FY 2012 OVERVIEW

The Utah State Office of Rehabilitation anticipates no increase in its federal funds for FY 2012. The USOR FY 2012 budget includes a total of \$54,549,200 in federal funds. This amount includes \$1,827,200 of federal ARRA stimulus funds.

FY 2013 OVERVIEW

The Utah State Office of Rehabilitation is requesting FY 2013 authorization associated with 7 separate grants totaling \$59,183,400. The \$59,183,400 request is made up of:

1. The Rehabilitation Services program for grants totaling \$40,128,400,
2. The Disability Determination program for grants totaling \$13,674,100,
3. The Blind and Visually Impaired program for grants totaling \$4,721,800, and
4. The Executive Director for grants totaling \$659,100.

Of the total FY 2013 estimated federal funds of \$59,183,400, 95 percent is made up of two grants: 1) the Rehabilitation Basic Support Grant (72 percent) and 2) the Disability Determination Services grant (23 percent). The estimate of these federal funds is subject to any subsequent actions taken by the Legislature with regard to additions or reductions in state appropriations.

THE FUTURE OF FEDERAL FUNDS OVER THE NEXT TWO YEARS

In its December 21, 2011 publication titled *Federal Funds and Fiscal Policy: Effect on States of FY 2012 Appropriations, Budget Control Act and Beyond*, the National Conference of State Legislatures (NCSL), referencing the U.S. Congress efforts to reduce federal budgets, stated, "For the current **FY 2012** fiscal year, states can expect overall federal discretionary grant

funds to be **reduced 2.7 percent**. . . For the next fiscal year, **FY 2013**, states can expect overall federal discretionary and mandatory/entitlement programs to be **reduced 8-9 percent** through across-the-board reductions to non-exempt programs. Because of exemptions, these reductions will fall primarily in the program areas of education (including Title I and special education), energy (including low income home energy assistance), environment (including water revolving funds), criminal justice, labor and job training, community development and human services. In **FY 2014 and beyond**, discretionary and mandatory spending reductions will be **determined through the appropriations process** working from overall spending caps. If the caps are breached, across-the-boards cuts are instituted.” [Emphasis added].

UTAH STATE OFFICE OF REHABILITATION FY 2013 FEDERAL FUNDS REQUEST FOR AUTHORIZATION

The following table shows the Utah State Office of Rehabilitation federal assistance request for Fiscal Year 2013. The estimate of these federal funds is subject to any subsequent actions taken by the Legislature with regard to reductions or increases in state appropriations.

Federal Funds Request Summary for State FY 2013															
July 1, 2012 through June 30, 2013															
Grant Title	CFDA Number	ARRA mark "X"	Federal Annual Award	Annual Match Requirement								% Pass-Through	New Permanent Staff	Notes/In Kind Source/Fed Requirements	
				Matching State Funds											
				General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match	Local/Other				
UTAH STATE OFFICE OF REHABILITATION															
1	Rehab Basic Support Grant	84.126a		\$42,305,400	\$0	\$0	\$0	\$0	\$0	\$11,158,106	\$11,158,106	\$0	0%	0.00	78.7/21.3 state match
2	Disability Determination Services	96.008		\$13,674,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00	--
3	Social Security	None		\$1,982,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00	--
4	Indept Living	84.177		\$829,400	\$0	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	86%	0.00	90/10 state match
5	Utah Work Incentive Project	96.008		\$97,100	\$0	\$0	\$0	\$4,855	\$0	\$0	\$4,855	\$0	0%	0.00	95/5 state match
6	Supported Employment	84.187		\$252,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00	--
7	Rehab Inservice	84.169A		\$42,400	\$0	\$0	\$0	\$4,240	\$0	\$0	\$4,240	\$0	100%	0.00	90/10 match with state funds.
Division/Program Totals				\$59,183,400	\$0	\$0	\$0	\$34,095	\$0	\$11,158,106	\$11,192,201	\$0	1%	0.00	

Table 1

APPENDIX A – EXPLANATION OF FEDERAL FUNDS

Utah State Office of Rehabilitation:

- **Vocational Rehabilitation Basic Support Grant – 84.126a - \$42,305,400** - The purpose of this funding is to assist eligible individuals with disabilities to achieve gainful employment. Services are available according to the individual needs, abilities, capabilities and informed choice. Services include but are not limited to: vocational rehabilitation counseling and guidance, physical and mental restoration, training services, assistive technology, maintenance and transportation, placement services, and other goods and services needed by the individual to achieve an employment outcome. The matching ratio for this grant is 78.7 percent federal to 21.3 percent state. (34 CFR 361.1; 34 CFR 361.60)
- **Disability Determination Services – 96.008 - \$13,674,100** – This is a state administered federal program that develops, adjudicates, and processes disability claims of Utah residents for Social Security benefits, including Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). No match is required for this grant. The grant is 100 percent federal funds. (UCA 53A-24-501)
- **Social Security Trust Fund – n/a - \$1,982,100** – This is reimbursement that comes back to the agency on a case by case basis for clients who were on SSDI or SSI, were successfully placed into employment by the Vocational

Rehabilitation Program, and eventually earned enough to get off of benefits. This reimbursed money can only be used for programs under Title I, VI and VII of the federal *Rehabilitation Act*, as amended. (34 CFR 361.63)

- **Independent Living – 84.177 - \$829,400** – This is a grant that is passed through and allocated to the six Independent Living Centers in Utah. The matching ratio for this grant is 90 percent federal to 10 percent state. (34 CFR 364.1)
- **Utah Work Incentive Project – 96.008 - \$97,100** - This Social Security Administration funding provides a work incentive planning assistance specialist position. This position assists people on SSI/SSDI in making sure they understand all the incentives available to them if they go to work and also the impact earnings will have on a person’s benefits. The matching ratio for this grant is 95 percent federal to 5 percent state.
- **Supported Employment – 84.187 - \$252,900** - This is funding that is specific to Supported Employment and may not be used for any other purpose. The grant is 100 percent federal with no state match required. (34 CFR 363.1)
- **Rehabilitation Inservice Training – 84.169A - \$42,400** - This funding is a competitive grant on a 5 year cycle, with annual review and outcome reporting requirements. Its purpose is to maintain/increase professional expertise of staff. The matching ratio for this grant is 90 percent federal and 10 percent state. (34 CFR 388.1).