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FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/18

SPONSOR Ezzell LAST UPDATED _____ HB 92

SHORT TITLE Vocational Rehabilitation Act SB _____

ANALYST Klundt

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

Companion to SB 58

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

SUMMARY

Synopsis of Bill

House Bill 92 (HB92) transfers the Division of Vocational Rehabilitation (DVR) from the Public Education Department (PED) to the Workforce Solutions Department (WSD). The bill makes several technical changes to align existing statutes with the move of DVR. It provides for the transfer of all functions, personnel, appropriations, records, furniture, equipment, supplies, and other property to WSD effective July 1, 2018.

FISCAL IMPLICATIONS

WSD reported no general fund impact is projected from the provisions of HB 92. In addition, WSD believes because the functions of DVR are closely aligned with those of WSD, some cost savings may be realized over time; however, no estimate of saving was provided. Finally, WSD noted that it may be necessary consolidate WSD and DVR's budgets in the future to eliminate potential administrative or budgeting conflicts.

SIGNIFICANT ISSUES

The Rehabilitation Act of 1973 (“Act”) was the first major legislative effort to secure an equal playing field for individuals with disabilities. The Act provides a wide range of services for persons with physical and cognitive disabilities. Those disabilities can create significant barriers to full and continued employment, the pursuit of independent living, self-determination, and inclusion in American society. The Rehabilitation Act has been amended twice since its inception, once in 1993 and again in 1998. The Division of Vocational Rehabilitation is the state agency charged with carrying out the provisions of the Rehabilitation Act.

In 2014, the federal government enacted the Workforce Innovation Opportunity Act (WIOA), which is intended to assist job seekers and workers access to employment, education, training, and support services to succeed in the labor market and match employers with skilled workers they need to compete in the global economy. The major focuses of WIOA are:

- An alignment of Federal Investments to Support Job Seekers and Employers
- To help employers find workers with skills necessary to meet business needs
- To align goals and increase accountability and information for job seekers and the public
- To foster regional collaboration to meet the needs of regional economies
- To target workforce services to better serve job seekers
- To improve services to individuals with disabilities
- Support access to services

WSD is responsible for coordinating the required WIOA core partners, which includes DVR, to foster shared understanding of the workforce needs across the state and to foster development of more comprehensive and integrated approaches for job seekers and employers. WSD submitted a Combined State Plan to the U.S. Department of Labor for program years July 2, 2016 through June 30, 2020, to address these efforts. DVR is actively participating as one of the required core partners to implement the strategies outlined in the Combined State Plan.

Currently, there are twenty (20) one-stop Workforce Connections Centers operating statewide, many of which are located in the same locales as DVR offices. Employment services staff work cooperatively and collaboratively with Local Workforce Development Boards (LWDB) to provide universal access to an integrated array of services to workers, jobseekers and employers, such as entry, review and maintenance of job-listings, assessment and testing of applicants, job search assistance, reemployment services to unemployed insurance claimants, labor market information, evaluation and assessment of skills, and abilities, and referral to training and support services. DVR is actively engaged with the LWDBs to co-locate staff in one-stop centers where possible. WSD and DVR are also in the process of facilitating the design and implementation of referral and follow up policies and strategies for individuals with disabilities to ensure seamless services between agencies. DVR is also partnering with LWDBs to conduct business outreach activities to increase the number of employers hiring individuals with disabilities.

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