

WEEKLY FOCUS

The mission of the Ohio Rehabilitation Services Commission is to ensure individuals with disabilities achieve quality employment, independence and disability determination outcomes through integrated services, partnerships and innovation.

Carry Over = Caution!

The Mid-Year Budget, House Bill 487, now set for a vote in the General Assembly later this month, is mostly about math, making sure the billions of dollars Ohio spends adds value and multiplies opportunities by subtracting waste and bureaucracy.

The revised budget **authorizes** RSC to solicit funds from public or private entities for the purpose of receiving the maximum amount of federal funds possible to support RSC activities, based on our decisions, and not who has the money. Because the federal Rehabilitation Services Administration (RSA) matches funds generated this way with \$3.69 for each dollar, RSC is currently **mandated** to use this source of funding without regard to service disparities.

The federal funds come to RSC with the requirement that our program serve the needs of all citizens without regard to where they live. If private sector funds from Vocational Rehabilitation Public & Private Partnerships (VRP3) can be generated most easily in large metros where these companies do business, stockpiling the money for the location of origination creates vast differences in service from RSC, depending on geography. If funds can more easily be raised for a specific disability and banked for a sole use, the same service imbalances are inevitable.

Use It or Lose It

Our current method of funding creates large amounts of time limited funds/carryover because of the imbalance between the demand for service and the supply of money. With a statutorily mandated requirement to take any funding to draw match, RSC invites major audit findings for failing to meet the needs of Ohioans with disabilities with equality, no matter where they live or what condition qualifies them for RSC service. Moreover, the carryover/time limited funds of these dollars beyond the two year budget cycle makes Ohio vulnerable to recovery of the money by RSA. Carryover dollars are **time limited funds/carryover** that must be spent in a two year budget cycle or lost forever. Likewise,

partners providing matching funds must be spent on **new or expanded** service offerings. The RSA matching funds are literally, use it or lose it money. When the clock strikes midnight at the end of a two year cycle, the unspent balance of these funds reverts to the federal treasury. Some have counseled that I should **ignore** what the RSA says on this issue, but I won't do that. Part of our problem is that many partners don't realize their dollars are time limited funds/carryover. RSC has never let a match expire and be lost to the federal treasury; we have simply used newly matched federal dollars to replace the expiring federal funds to replace the expiring match and keep all the dollars working in Ohio. The difference now is that the carryover/time limited funds balance is growing beyond our ability to buy time with these funds. It has come to the point that we reduce our time limited funds/carryover, lose those funds or make cuts at RSC. There is no good option among those choices, but the least painful is cutting our carryover of time limited funds.

Language is Misleading

A carryover sounds so positive. After all, when there is a carryover from your paycheck after your bills, life is so much better than when there is a shortfall. But often times in our personal finances, shortfalls come because of encumbrances on our earnings. That is what we are talking about here; a carryover that is similar to letting the balance grow on a credit card. You can easily carryover debts from month to month on a credit card. In an emergency, this carryover flexibility is good; but if allowed to grow too big, the carryover power can create a fiscal crisis. The encumbrance of the carryover takes more and more of your budget, leaving too little for the current expenses of living.

That is exactly what is happening at RSC, where the mandatory requirement to solicit any dollars for a federal match, combined with a limit on programmatic expenses, produces much less for RSC from the \$4.69 each VRP3 dollar added to our budget. RSC has no operational benefit, but the gaps in service delivery turn into canyons for locations without VRP3 funds.

Stop Digging

The first rule you need to follow when you are in a hole, especially a financial hole, is to stop digging. This is what being authorized to take partner money, without being mandated to accept any dollar on offer, will accomplish. We will stop the growth of budget carryovers/time limited funds that are more than twice the national average, and we will respond to the CSNA that tells us our needs and our programs are out of sync.

Match—Why Not Take it All Now?

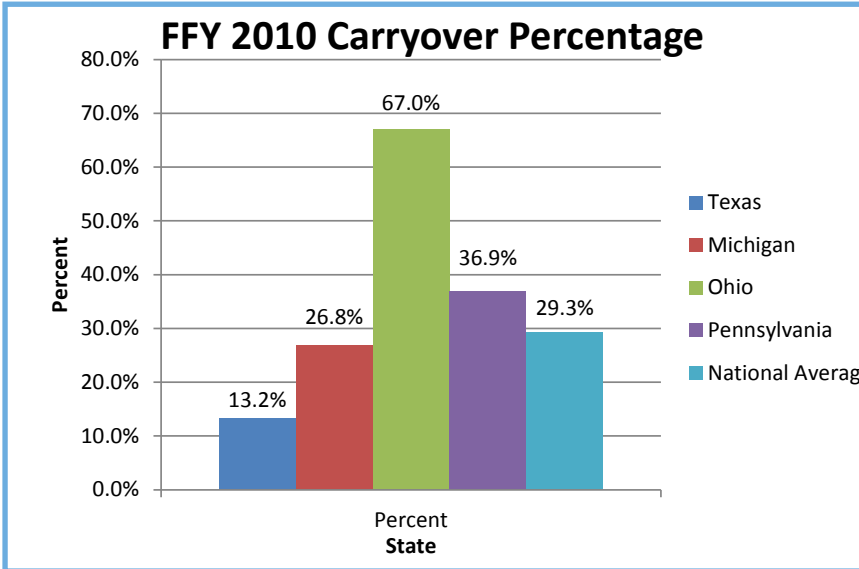
There is no shortage of Ohioans with disabilities in need of our services and there are many exciting opportunities for matching dollars to meet these needs. We have written extensively about programs like Recovery-2-Work and school to work transition programs through the Ohio Department of Education in prior editions of the Weekly Focus. This makes it logical to conclude RSC should continue taking dollars anywhere they can be found.

The danger is that the size and restrictions of our time limited funds/carryover cause us to lose some to the federal treasury. Our ability to attract partners would evaporate the instant these partner funds are lost, turning our win-win agreement into a waste of precious resources.

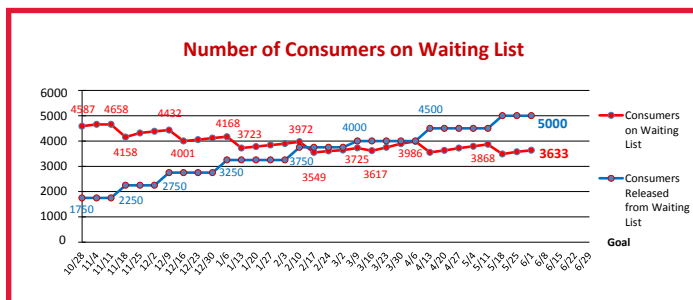
The Fee Schedule Example

There is enormous truth to the idea that a problem is often an opportunity in disguise. The fee schedule we are in the process of finalizing now is a process improvement RSA advised us to make back in 2008, that will provide a roadmap for RSC and its partners to follow for Ohio consumers.

In addressing carryovers/time limited funds and service discrepancies, we are moving again to show the RSA that Ohio intends to be a good partner and manage our programs and our spending in the most prudent fashion possible. If we are authorized but not mandated to take VRP3 dollars, we can base our decisions on the needs of Ohioans with disabilities and make sure the money we get is actually spent on solving the real problems that confront us, rather than remaining as a time limited, undrawn balance. When your results are not acceptable, a new direction must be forged. This is what we are doing at RSC.



Ohio RSC currently has approximately \$70 million of time limited funds/carryover. We don't want to lose this money. That's why we are taking steps now to keep the carryover/time limited funds from growing too big to manage. We are capping the time limit carryover at 25%, slightly under the national average compiled by the RSA and within the guidance they have provided to numerous other states in the course of recent monitoring reports.



For more information or questions on stories in this publication please call Shirley Marchi, Community Relations Liaison, at 614.438.1477.

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