

Policy Transmittal Vocational Rehabilitation



Howard Fulk, Policy and Training Manager

Authorized signature

Number: VR-PT 21-03

Issue date: 10/01/2021

Due date: 10/01/2021

Topic: Vehicle purchase, insurance, and modification changes

Transmitting (check the box that best applies):

- New policy
 Policy change
 Policy clarification
 Executive letter
 Administrative Rule
 Manual update
 Other:

Applies to (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging: {Select type} | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Aging and People with Disabilities | <input type="checkbox"/> Office of Developmental Disabilities Services (ODDS) |
| <input type="checkbox"/> Self Sufficiency Programs | <input type="checkbox"/> ODDS Children’s Intensive in Home Services |
| <input type="checkbox"/> County DD program managers | <input type="checkbox"/> Support Service Brokerage Directors |
| <input type="checkbox"/> ODDS Children’s Residential Services | <input type="checkbox"/> Stabilization and Crisis Unit (SACU) |
| <input type="checkbox"/> Child Welfare Programs | <input checked="" type="checkbox"/> All Vocational Rehabilitation staff |

Policy/rule title:	OAR 582-070-0025 (temporary)		
Policy/rule number(s):	VR-PT 21-03	Release number:	NA
Effective date:	09/10/2021	Expiration date:	03/08/2022
References:	582-070-0025 Vehicle repair, modification and purchase		
Web address:	https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=280615		

DISCUSSION AND INTERPRETATION:

Purpose of changes

In order to align with Oregon Administrative Rule, Vocational Rehabilitation (VR) has adopted significant changes to our:

- Vehicle Purchase Process,
- Vehicle Modification Process, and,
- Insurance Purchase Guidance.

Clients with disabilities must be eligible for VR services and these services and costs must be part of their Individualized Plans for Employment (IPE).

Changes to Oregon Administrative Rules (OAR) 582-070-0025

The [rules governing the vehicle purchase, insurance, and modifications](#) were changed effective 9/10/2021. Previous rule, policy and procedures are now obsolete and must not be followed.

Revisions to VR rule address important requirements for a participant who requires a vehicle purchase or vehicle modification as part of their Individualized Plan for Employment. These include:

- Security Lien Requirements. VR will no longer be the owner of the vehicle. Instead it will be a lien holder. The Security Lien document provides further participant requirements for purchase of the vehicle, and any modifications.
- Insurance requirements. Under state rule, VR is prohibited from directly purchasing insurance for any participant. Insurance costs for a VR purchased vehicle may be reimbursed in some situations.
- Funding vehicle repairs. Allowable repairs are necessary to safely and independently operate the vehicle; essential to maintain the individual's employment; and, not routine maintenance expenses.
- Possession and repossession of purchased vehicles. When the participant successfully achieves competitive integrated employment the vehicle, the lien can be removed. If the person is not successfully employed, the vehicle must be returned to VR.

Changes to vehicle purchase, insurance, and modification responsibilities

Vehicle Purchase Checklist

VRCs must complete the Vehicle Purchase Checklist when a program participant requires a vehicle purchase as part of their IPE.

- A vehicle purchase must overcome a participant's disability related barrier to employment and not be the primary purpose of the IPE itself.
- A participant must have an employment related requirement for a vehicle. A lack of transportation may not qualify a program participant for vehicle purchase consideration by itself.
- A vehicle purchase must be the least cost option.
- The vehicle purchase checklist must be followed and completed entirely.
- The Vehicle Pre-Purchase Agreement and Vehicle Security Lien Agreement must be completed entirely.

Vehicle Modification Checklist

VRCs must complete the Vehicle Modification Checklist when a program participant requires a vehicle modification as part of their IPE.

- Vehicle modification must overcome a disability related barrier to employment and not be the primary purpose of the IPE itself.
- Vehicle modification must be the least cost option.
- The vehicle modification checklist must be completed entirely.
- When a program participant purchases a vehicle as part of a modification process, the vehicle must either be already purchased or have a projected delivery date from the dealer prior to VR soliciting bids for the modification process.

Vehicle insurance purchase

VR is prohibited from purchasing insurance for any program participant.

- The Oregon Department of Administrative Services – Risk Management Division is the only authorized state entity permitted to purchase insurance.
- When VR maintains an active Security Lien Agreement for a vehicle purchased by the Program as part of a participant's IPE, VR may reimburse the cost of the programs mandated insurance coverage for the period the security lien agreement is in effect.

Pre-Agreement and Agreement for security interest

- A Vehicle Purchase Pre-Agreement must be signed by the participant prior to the vehicle purchase being approved.
 - This agreement outlines the participant's requirements as part of the vehicle purchase process and explains the required security lien agreement. No purchase may be made without a signed security lien agreement.
- A Vehicle Security Lien Agreement must be signed by the participant prior to VR releasing a purchased vehicle to the client.
 - This agreement is a legally binding contract that outlines the participant's responsibilities and program requirements.
 - It allows the participant to possess, operate and retain a vehicle purchased by the Program as part of the participant's IPE.
- The Vehicle Security Lien Agreement describes the participant requirements if they are not successfully rehabilitated.
 - If a program participant is unable to complete a successful vocational rehabilitation as defined by state and federal rule, the participant must surrender the program purchased vehicle to VR upon request.
 - If a program participant does not comply with the participation expectations outlined in the security lien agreement, the participant must surrender the program purchased vehicle to VR upon request.

New and updated forms

Checklists have been created, tested, and updated to include the process for both:

- A vehicle purchase checklist
- A vehicle modification checklist

A Pre-Agreement and Agreement have been created.

All these forms are available in fillable Word and PDF formats with VR-PT 21-03 on the [policy transmittal page for OWL](#).

TRAINING/COMMUNICATION PLAN:

Implementation/transition instructions: training will be provided.

- See [Vocational Rehabilitation training on OWL](#)

LOCAL/BRANCH ACTION REQUIRED:

Central office action required: None.

Field/stakeholder review: Yes No

If yes, reviewed by: Executive, Branch Managers and Field staff review. State Rehabilitation Council.

FILING INSTRUCTIONS:

The [temporary OAR 582-070-0025](#) has been filed and is in effect from 9/10/2021 until 3/8/2022. Vocational Rehabilitation will initiate the permanent filing of this rule given the process for rules.

If you have any questions about this policy, contact:

Contact(s): mailto:VR.Policy@dhsosha.state.or.us?subject=VR-PT%2021-04	
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