



Presentation to the 2025 Joint Ways and Means Subcommittee on Human Services

Vocational Rehabilitation (VR)

Keith Ozols, VR Director

March 13, 2025

All-terrain chair allows Justin to take his general contractor business off-road



“My new chair is like a tractor. It goes everywhere. It takes me down hills, up hills, through water. It gets me to where I need to be so I can do my job correctly.”

Justin Shoptaw
Owner of Bulldog Barns

Agenda

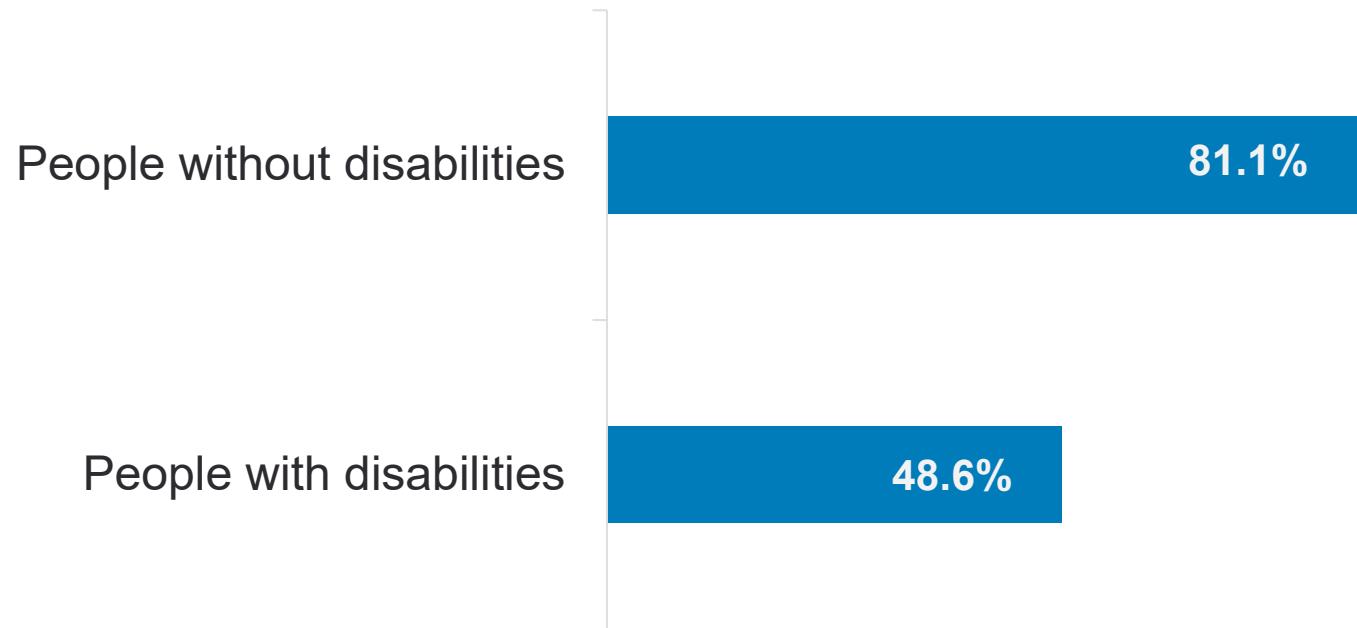
- I. Who we are
- II. Budget overview
- III. Programs and services
- IV. Tracking our progress
- V. Key issues
- VI. The work ahead
- VII. Closing remarks

Vocational Rehabilitation



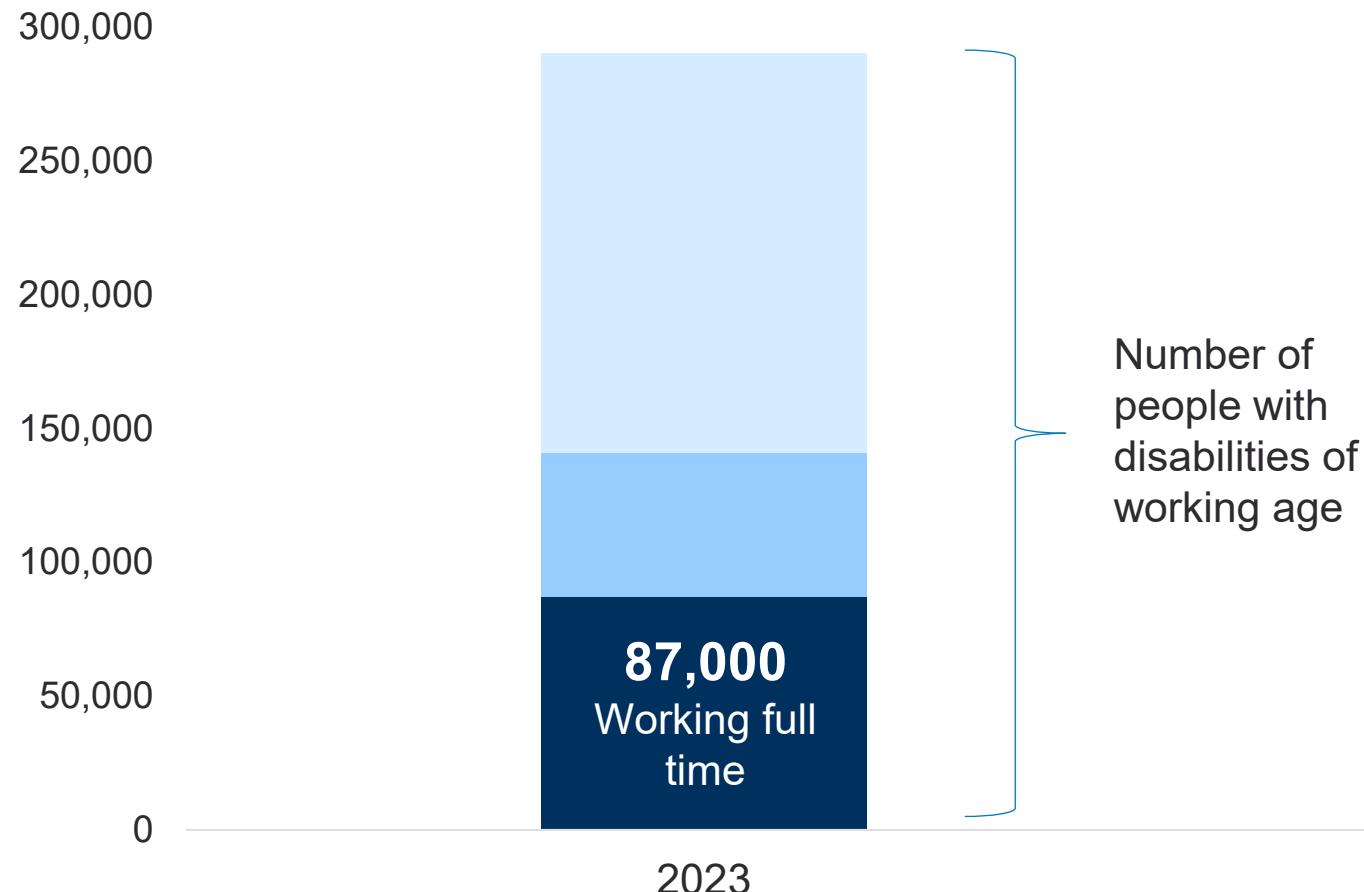
Oregon's employment landscape

2023 Employment Rate in Oregon (ages 21 – 64)



Prevalence of
people in Oregon
with disabilities,
ages 21-64
12%

Employment landscape for people with disabilities



Source: 2023 Disability Status Report, Cornell University

Who we are



VR assisted
**14,253 job seekers with disabilities served from across Oregon
in SFY 2024**



Find a job



Keep their job



Advance in
their career

Agenda

- I. Who we are
- II. Budget overview**
- III. Programs and services
- IV. Tracking our progress
- V. Key issues
- VI. The work ahead
- VII. Closing remarks

Vocational Rehabilitation



Context: Key budget changes over time

2019-21

- Caseloads rise to unsustainable levels, then fall dramatically as people exit the workforce during the pandemic.
- VR did not get federal relief funds

2021-23

- Launch Inclusive Career Advancement Program (ICAP)
Connects clients with community college career pathways

2023-25

- Youth Transition Services contract and service delivery changes
Hired 6 youth counselors
Provide more services in-house
- Caseloads rise to unsustainable levels
- Cost per case continues to rise with inflation
- Flat federal funding

2025-27 Governor's Budget: Total fund by service area

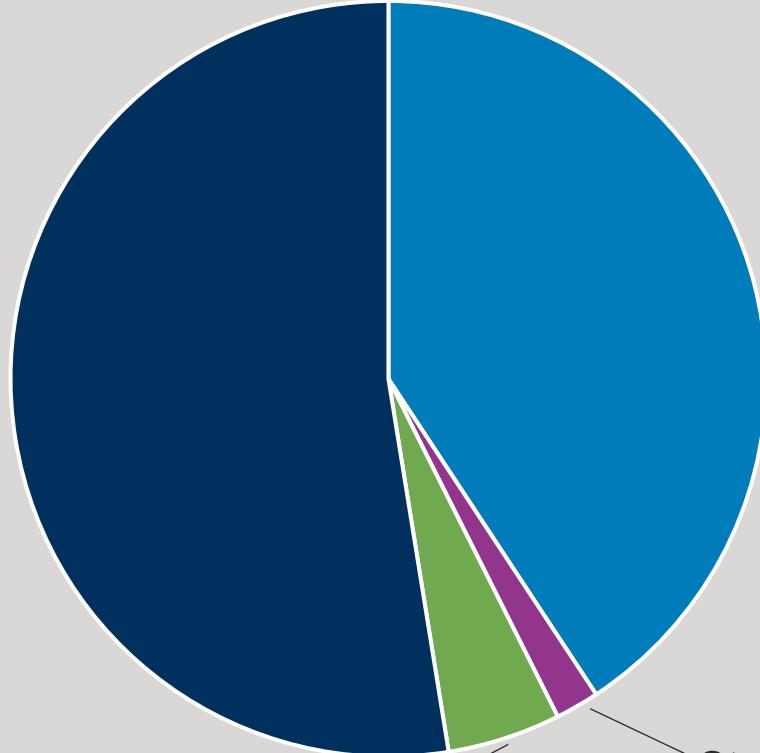
Total: \$160.5 million

Program delivery
\$84.3 million
52%

Program design
\$7.8 million
5%

Core Services
(Basic rehabilitation services)
\$65.4 million
41%

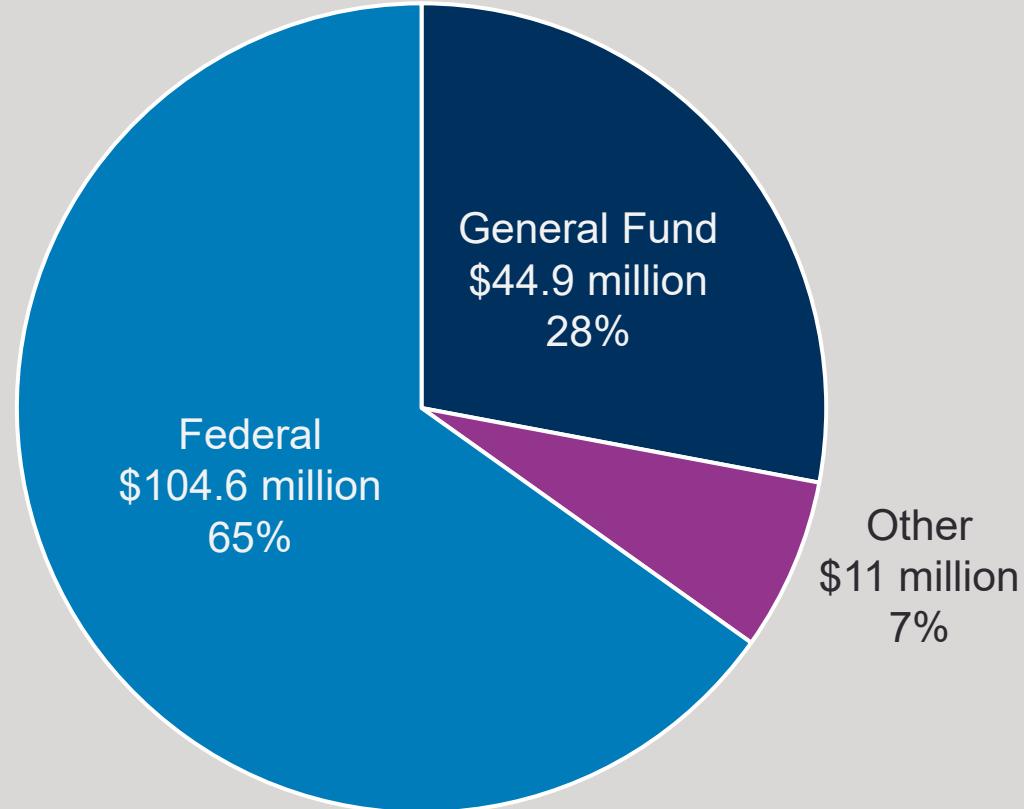
State Independent Living Council
\$3 million
2%



2025-27 Governor's Recommended Budget

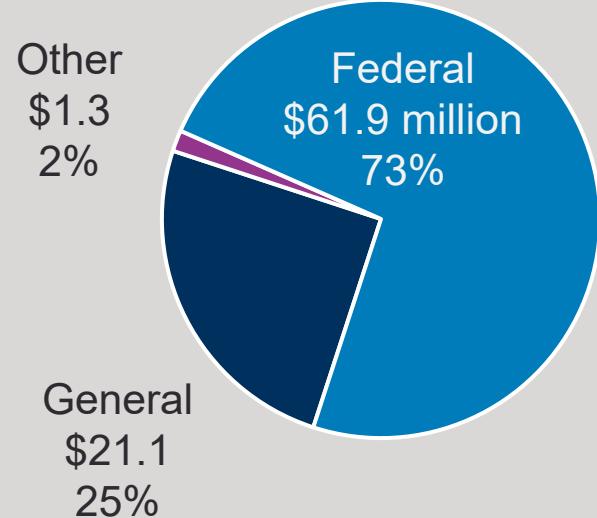
Total by fund type

Total: \$160.5 million

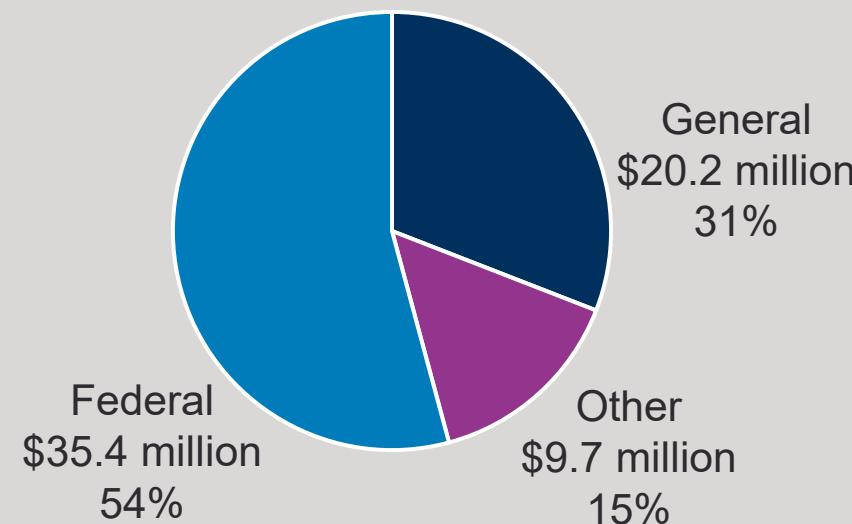


2025-27 Governor's Budget: VR budget by service area

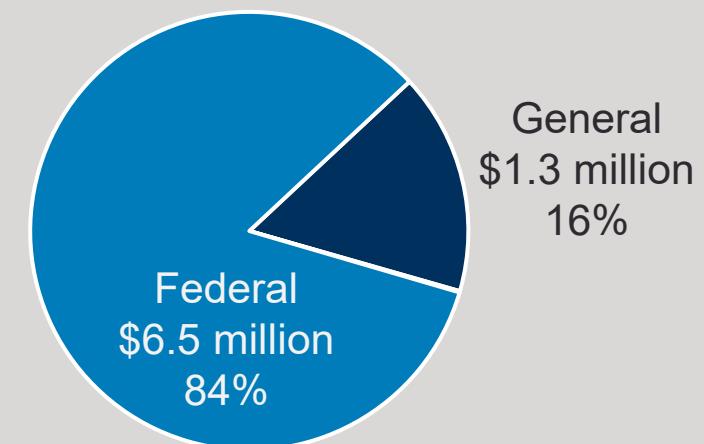
Program Delivery



Core Services



Program Design



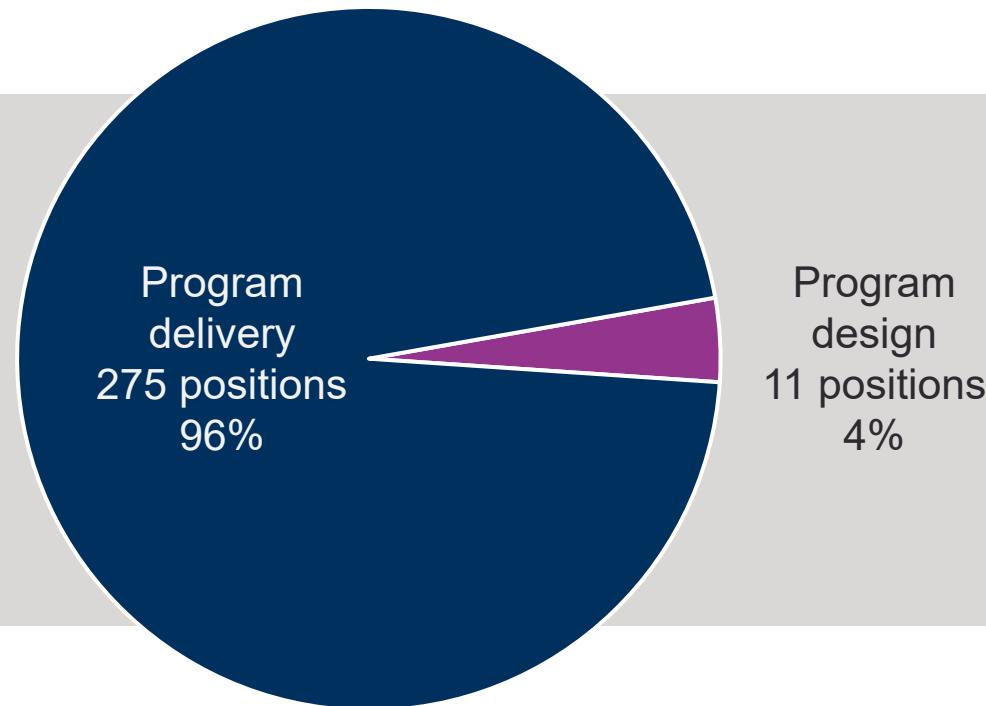
Total: \$84.3 million

Total: \$65.4 million

Total: \$7.8 million

2025-27 Governor's Budget: Positions by program area

Total positions: 286



Agenda

- I. Who we are
- II. Budget overview
- III. Programs and services**
- IV. Tracking our progress
- V. Key issues
- VI. The work ahead
- VII. Closing remarks

Vocational Rehabilitation



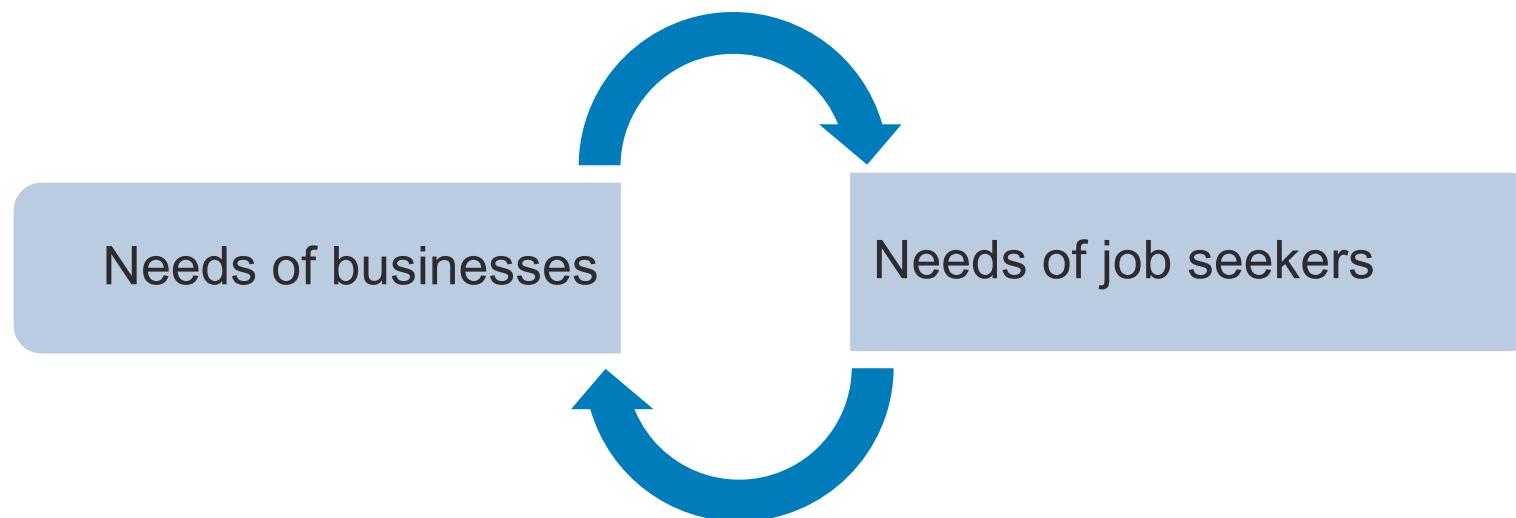
VR Services overview



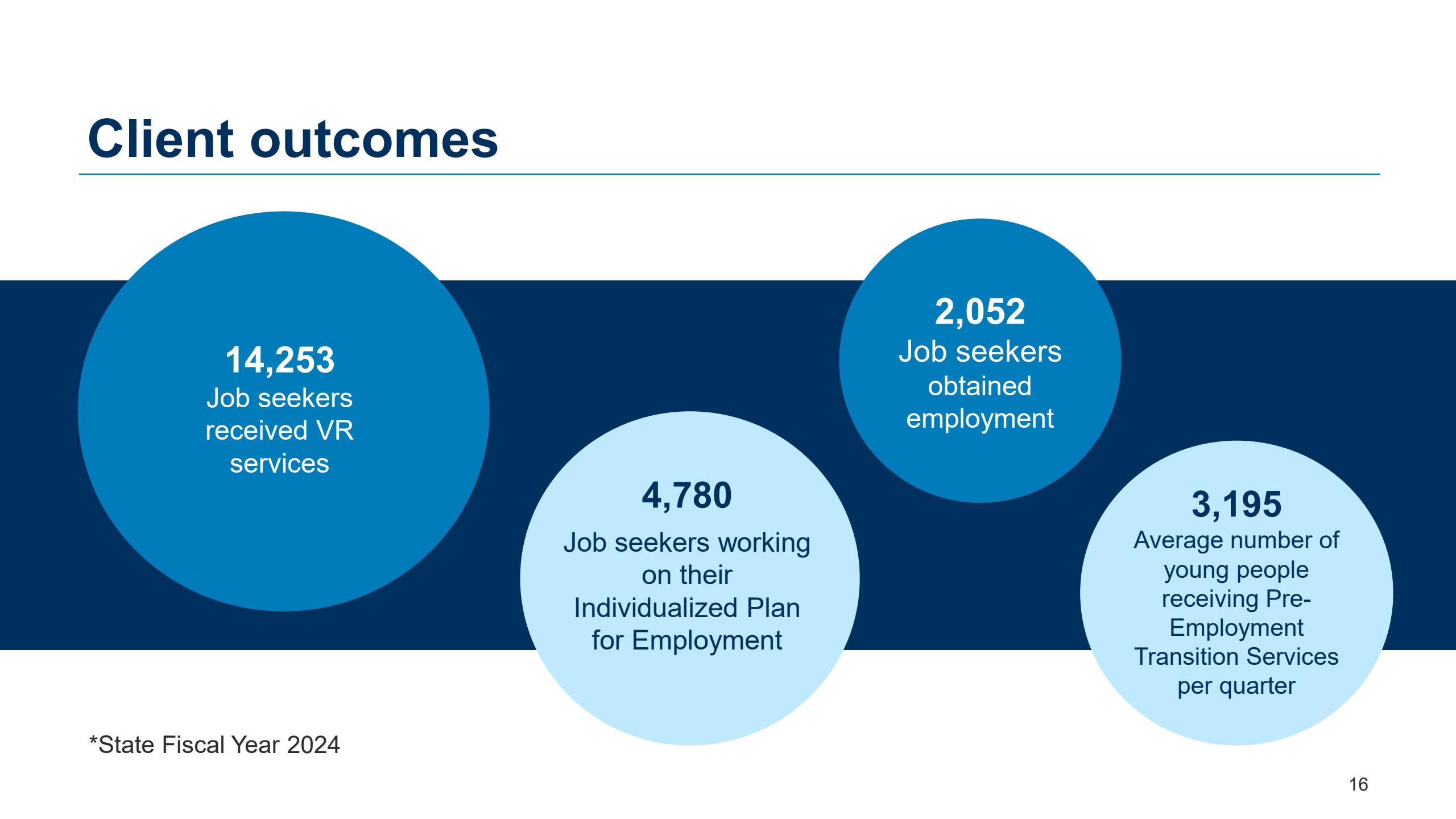
Policy direction

The **Workforce Innovation Opportunity Act** (WIOA) of 2014 guides our work.

- Aims to strengthen and improve the nation's public workforce system.
- Aims to help employers hire and retain skilled workers.
- Requires 15% of budget spent on student services.



Client outcomes



14,253
Job seekers
received VR
services

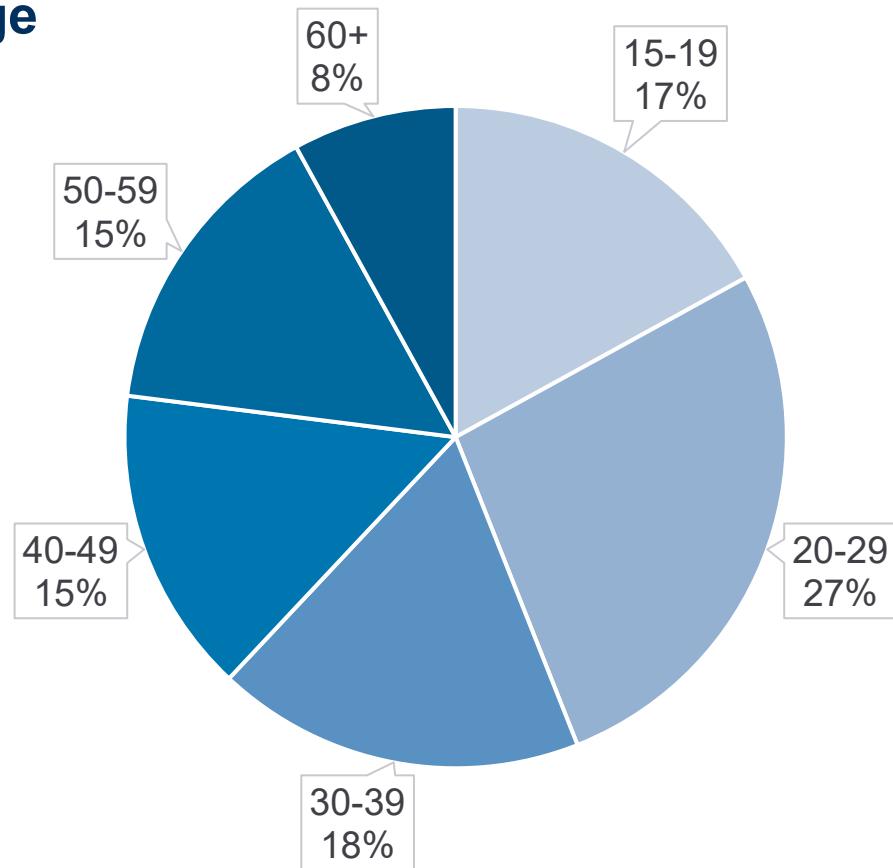
4,780
Job seekers working
on their
Individualized Plan
for Employment

2,052
Job seekers
obtained
employment

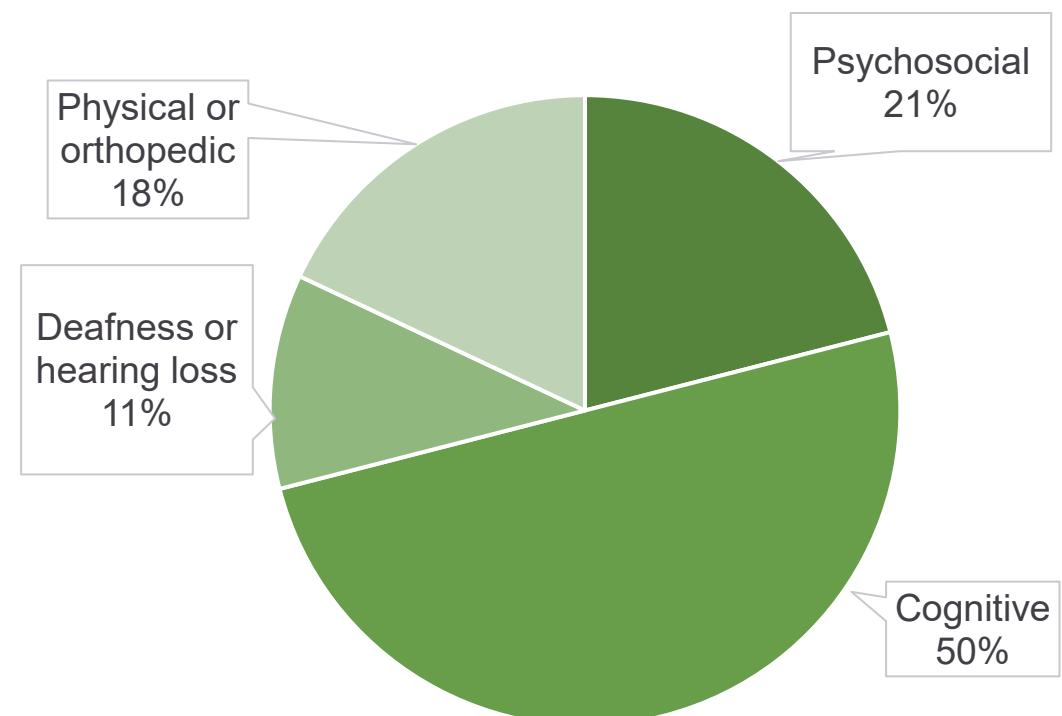
3,195
Average number of
young people
receiving Pre-
Employment
Transition Services
per quarter

Who we serve by age and disability

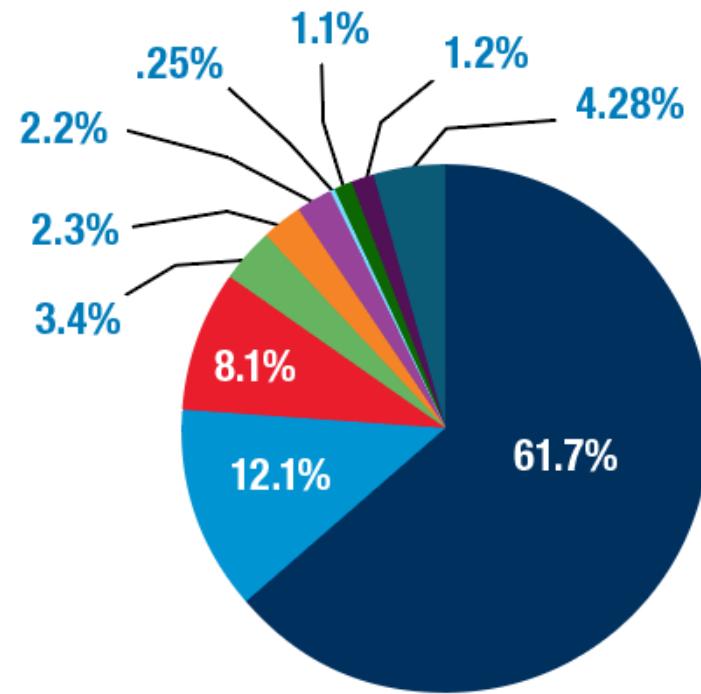
Age



Disability



Who we serve by race and ethnicity

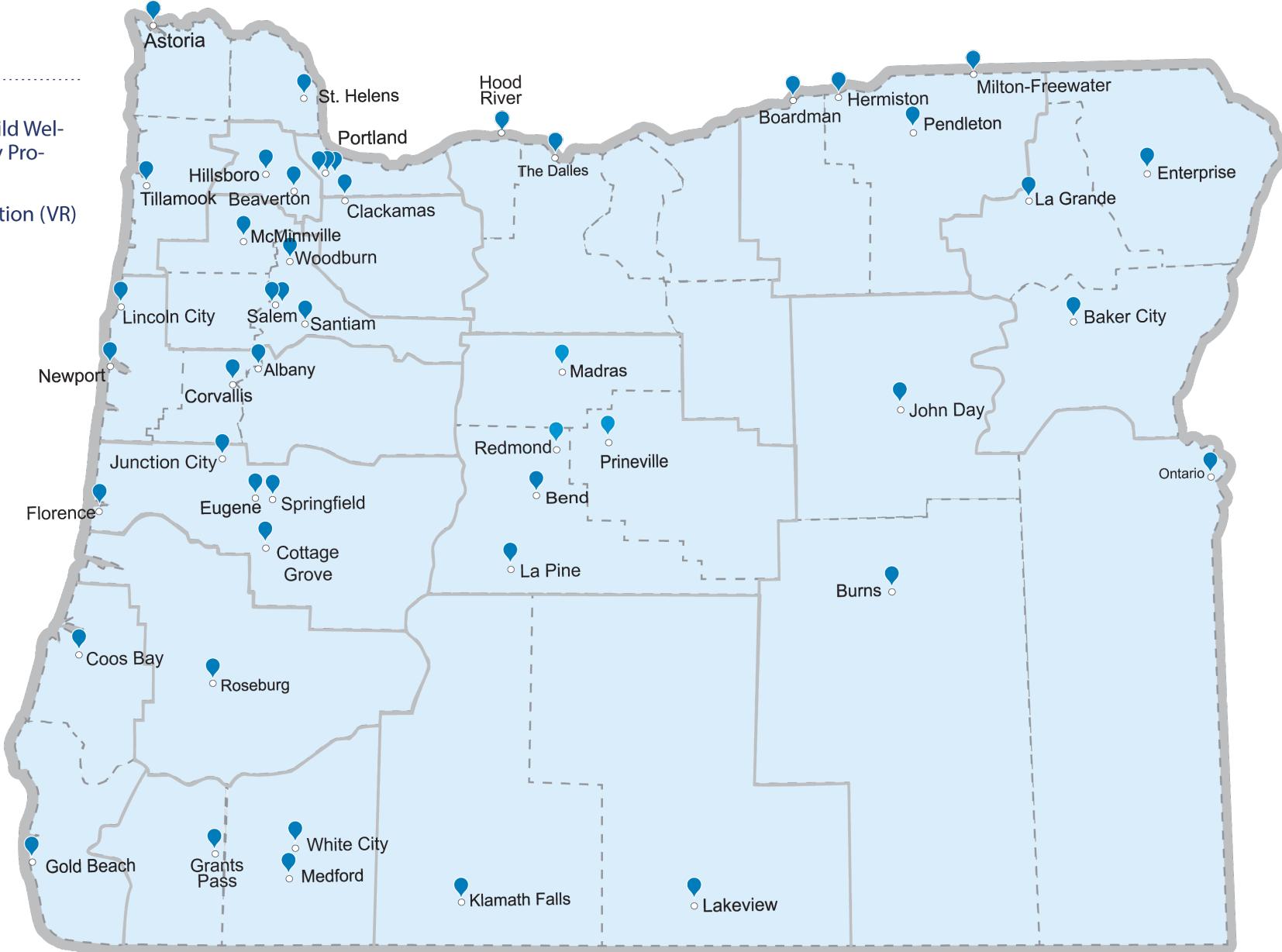


■ 61.7%	White	■ 2.2%	Asian or Pacific Islander
■ 12.1%	Multiethnic	■ .25%	Middle Eastern or North African
■ 8.1%	Hispanic	■ 1.1%	Other
■ 3.4%	Black	■ 1.2%	Declined to answer
■ 2.3%	American Indian or Alaska Native	■ 4.28%	Unknown
■ .25%		■ 1.1%	
■ 1.2%		■ 4.28%	

Where we serve

KEY

- ODHS districts for Child Welfare & Self-Sufficiency Programs
- Vocational Rehabilitation (VR) Offices



How we're organized

Local Offices

43 VR offices and satellite locations around the state supported by:

- 14 Branch Managers
- 150 VR Counselors
- 68 Administrative Specialists

Central Services

- Workforce and Business Relations
- Youth Services
- Work Incentive Network
- Inclusive Career Advancement Program

Contractors

170 small businesses deliver specialized services

57 school districts provide pre-employment transition services.

Key partners

Advisory partner

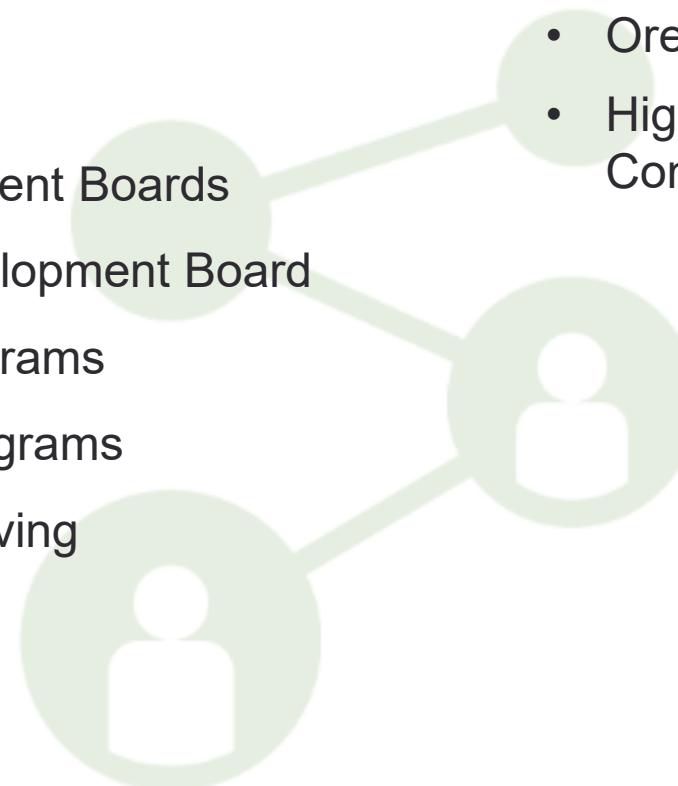
- State Rehabilitation Council

Other key partners

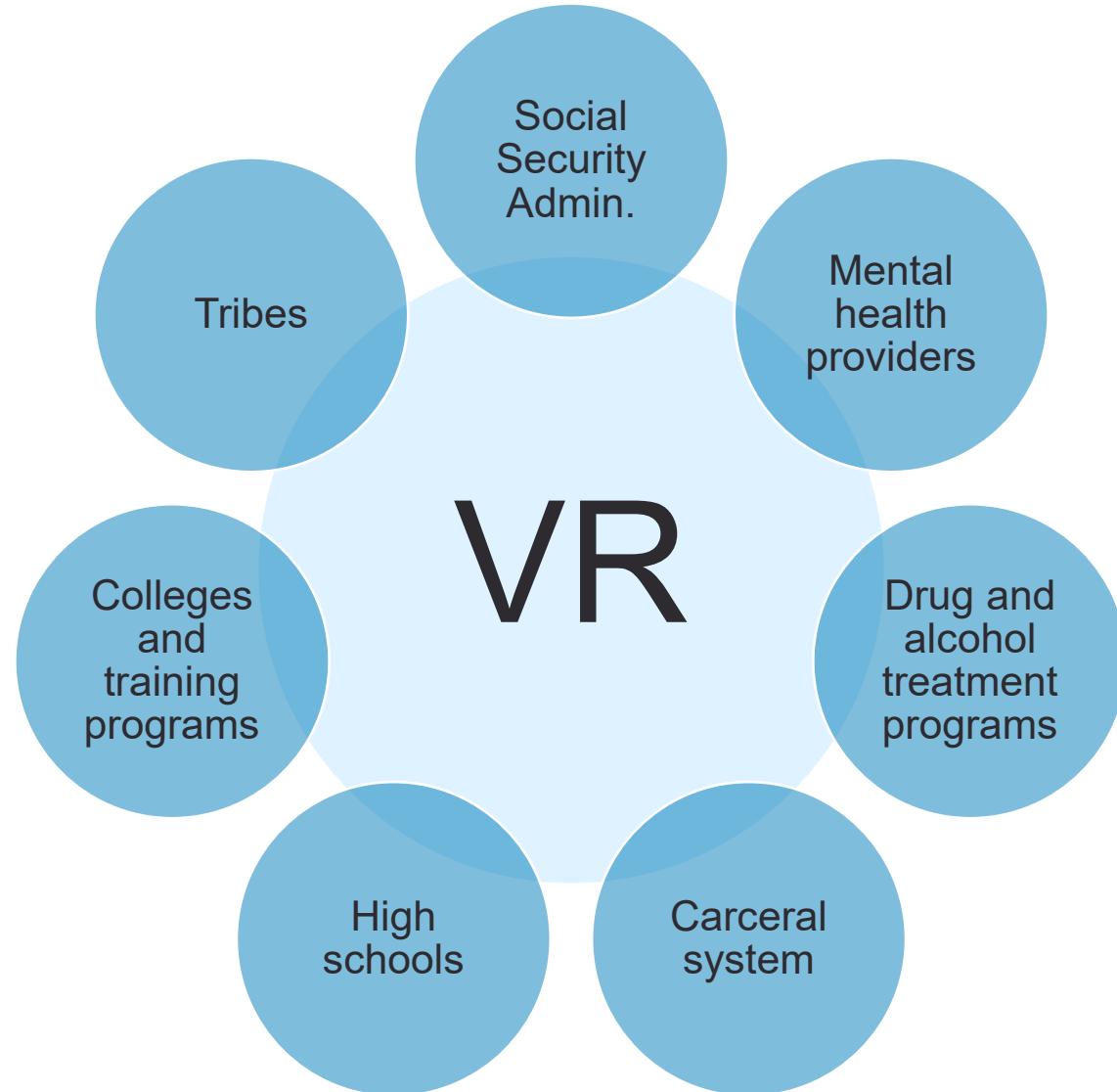
- Local Workforce Development Boards
- Workforce and Talent Development Board
- Adult Basic Education programs
- ODHS Self Sufficiency Programs
- Centers for Independent Living

Oregon Workforce System partners

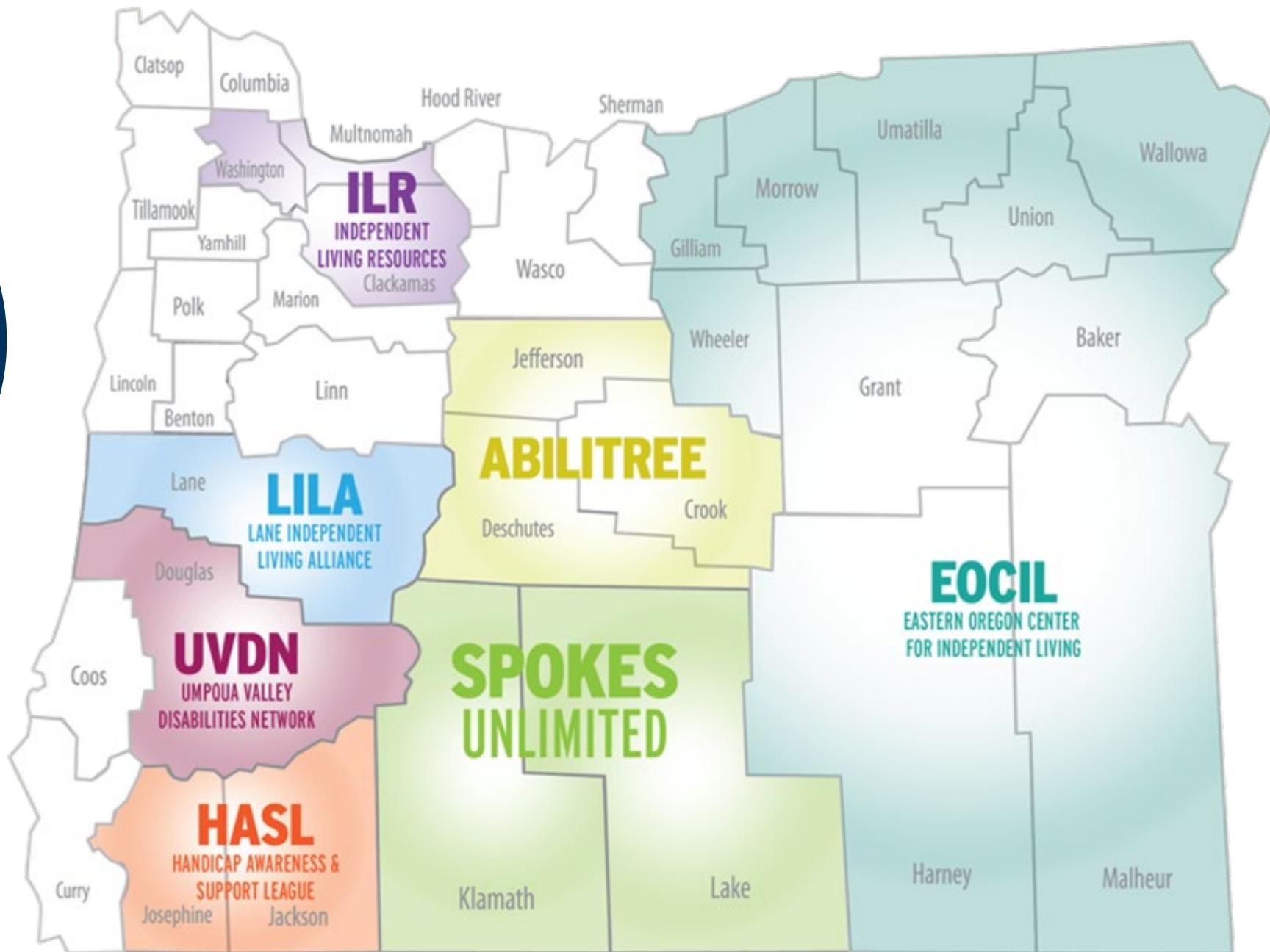
- Oregon Commission for the Blind (OCB)
- Oregon Department of Education (ODE)
- Oregon Employment Department (OED)
- Higher Education Coordinating Committee (HECC)



Our reach



Centers for Independent Living

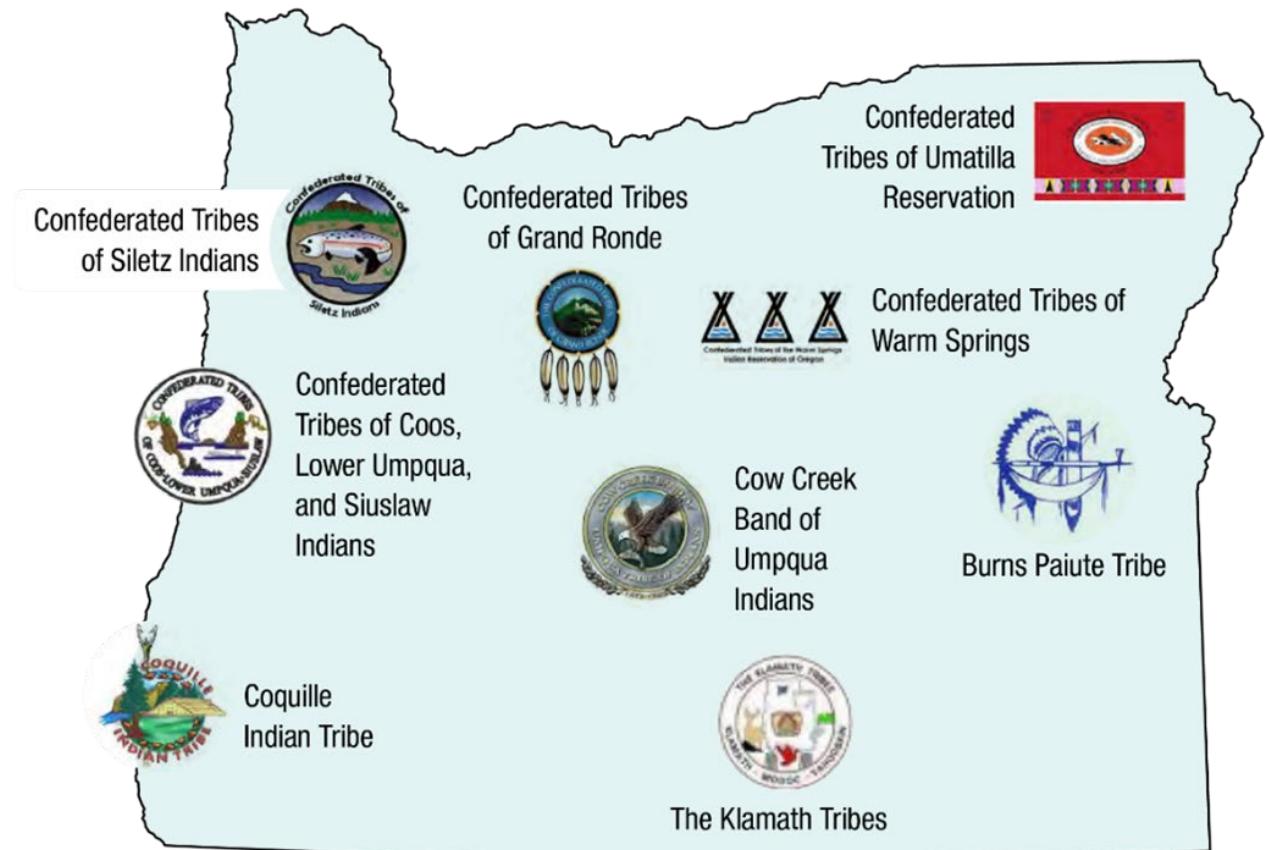


Government-to-government relations

VR works closely with five Tribal Nations that provide Tribal VR services:

- Confederated Tribes of the Grand Ronde Community of Oregon
- Confederated Tribes of the Klamath Falls
- Confederated Tribes of the Siletz Indians of Oregon
- Confederated Tribes of the Umatilla Indian Reservation
- Confederated Tribes of Warm Springs

Oregon's Nine Federally Recognized Tribes



VR Program Areas

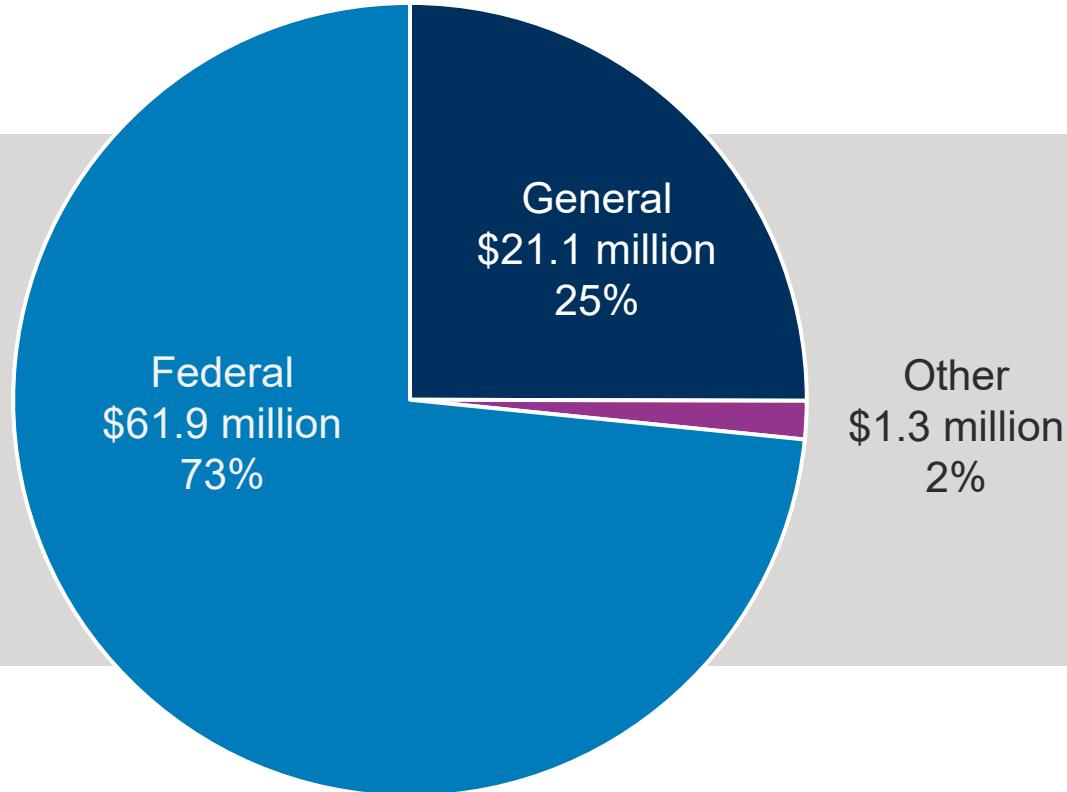




Program Delivery

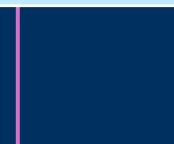
2025-27 Governor's Budget: Program Delivery

**Total: \$84.3
million**
275 positions



Major costs: Program Delivery

Program administration	Direct services staff
\$5.7 million	\$26.4 million



Local office staff	Youth Services staff	Workforce staff
\$24.4 million	\$1.4 million	\$652,162

*Federal fiscal year 2024:
Oct. 1, 2023 to Sept. 30, 2024

Program Delivery: How we serve



Core Services

Career counseling to help clients set a job goal that matches their abilities, interests and the labor market.

Pre-Employment Transition Services (Pre-ETS)

Helping students with disabilities **ages 14 to 21** who are transitioning from school to work, training or college.

Inclusive Career Advancement Program (ICAP)

Connecting clients to community college training programs in high-demand industries.

Services to Businesses

Helping employers to find qualified employees through workforce development and retention.

Work Incentives Network

Benefits counseling for people with disabilities who are looking to make a change in their employment status.

Program Delivery: Overview



Intake and
eligibility

Individualized
Plan for
Employment

Training, tools
and skills

Job search

Get hired

A welding internship leads to career path for Rose



“I want to be able to show people that girls can go wherever, and so can guys. And you don’t have to have a specific field where you have to stay in.

“Without [VR], I probably wouldn’t have known that welding was my dream, because I didn’t know it was a thing.”

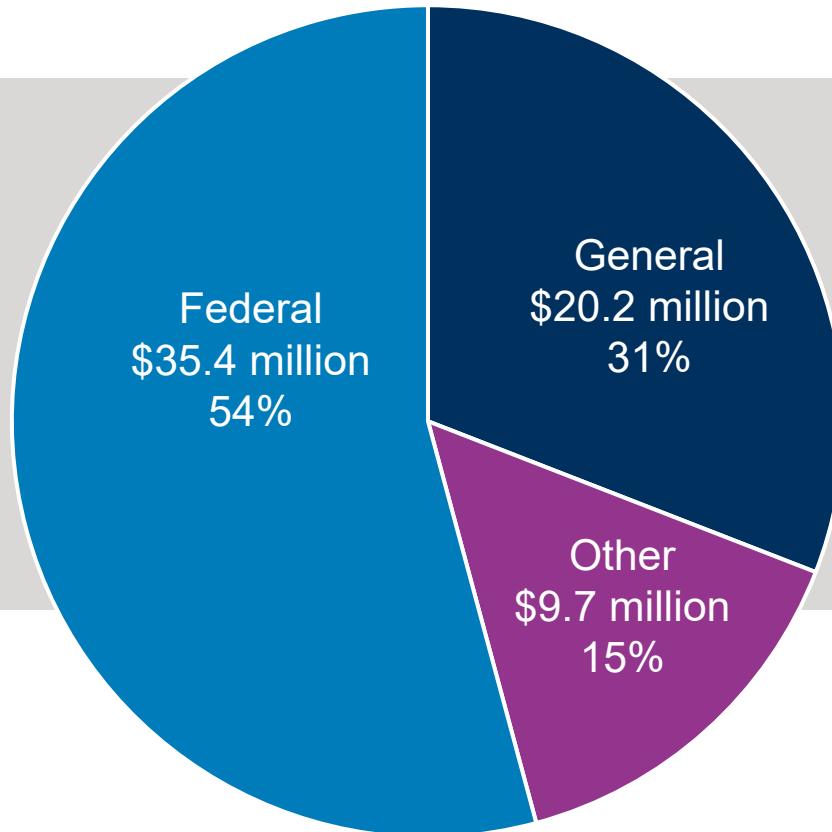
- Rose Waibel, owner of High Desert Creative Minds

Core Services



2025-27 Governor's Budget: Core Services

Total: \$65.4 million



Major costs: Core services

Job placement services and other client service contracts	Pre-Employment Transition Services	Rehabilitation technology	Training	Medical and psychological evaluations	Transportation
\$13.1 million	\$6 million	\$3.4 million	\$2.9 million	\$2 million	\$854,896

*Federal fiscal year 2024: Oct. 1, 2023 to Sept. 30, 2024

Logan goes to college and finds his dream job



“I love my job because this is my dream job. I think about it every night before I go to bed – what am I going to work on?”

Logan Blair, diesel mechanic at P.J.’s Inc. Truck and Reefer Repair

“If there’s people out there looking for employees, check with VR. There’s good people out there who are ready to go to work.”

Kevin Troxell, Owner of P.J.’s Inc.

- I. Who we are
- II. Budget overview
- III. Programs and services
- IV. Tracking our progress**
- V. Key issues
- VI. The work ahead
- VII. Closing remarks

Vocational Rehabilitation



Key 2023-25 successes



Made it easier to get services



Approved and kicked off 2024-2028 state plan

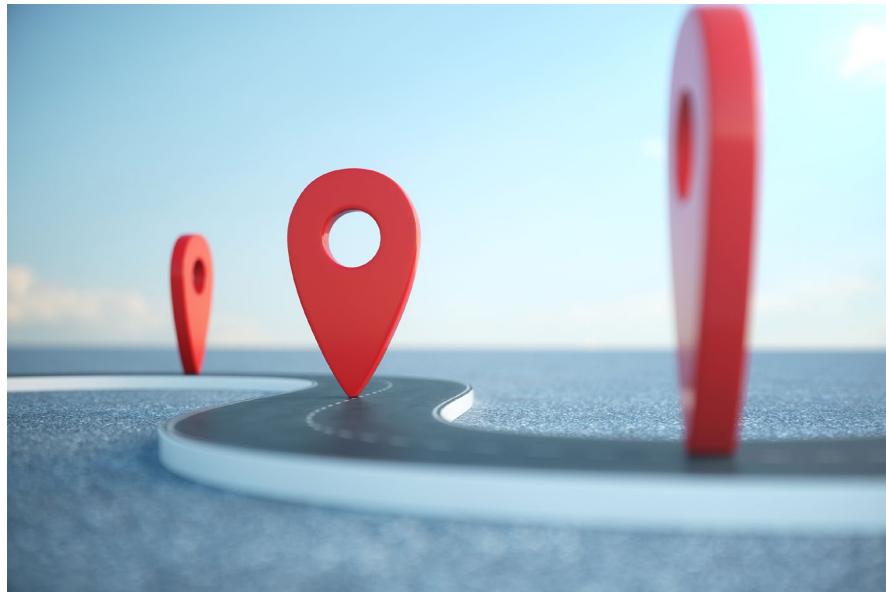


Expanded youth team and provided more direct youth services



396 students enrolled in ICAP; 21 people graduated and are working

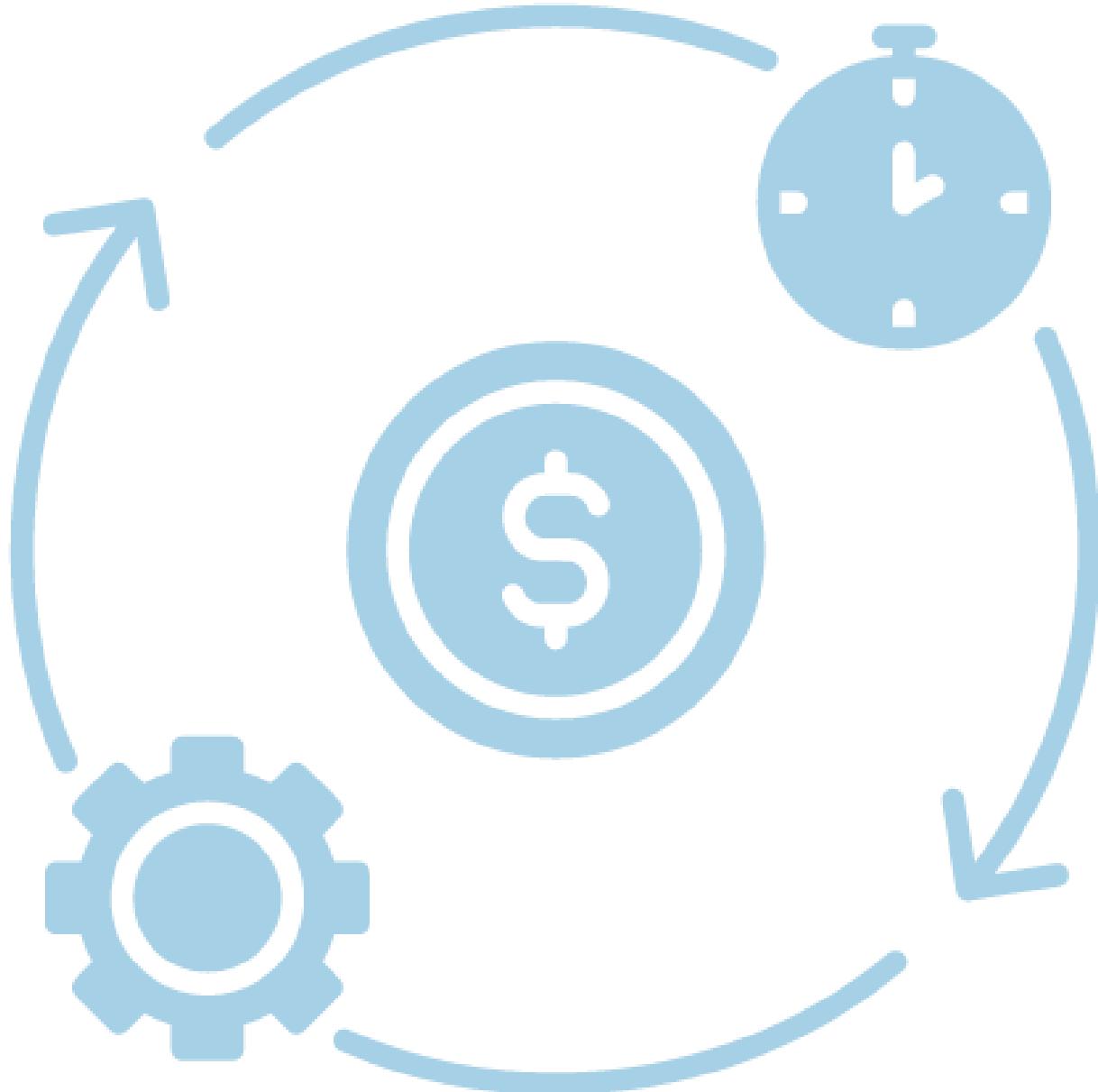
Key success: State Plan



Four main goals:

- Do a great job assisting customers
- Make and improve partnerships
- Hire and keep diverse, well-trained staff
- Make sure our processes work well and we can effectively assist customers

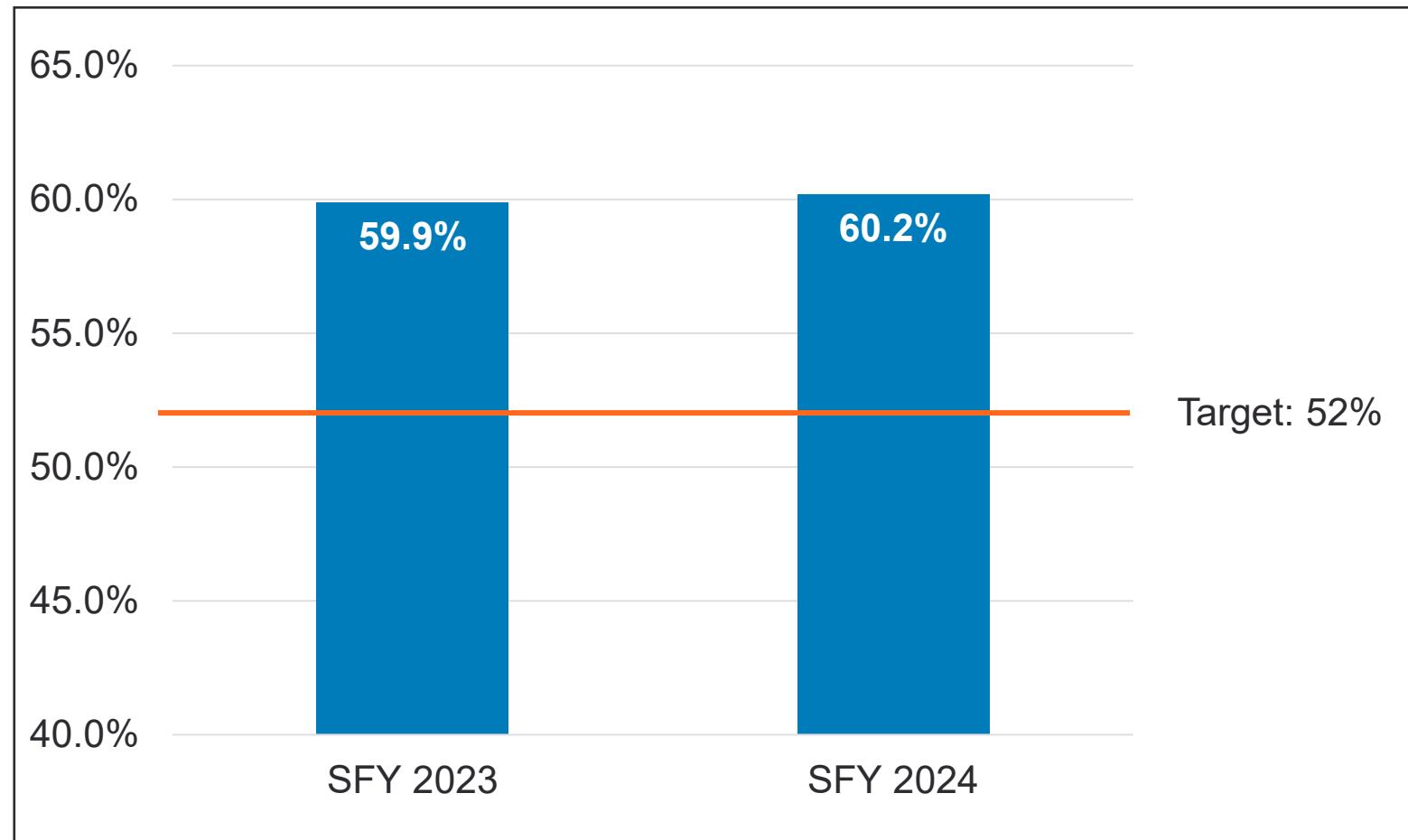
Key performance measures



KPM 18: Continued employment — 2nd quarter

Tracking employment outcomes for the people we serve is important to ensure VR is meeting their needs.

We check in during the second quarter after clients exit the program, and again in the fourth quarter.

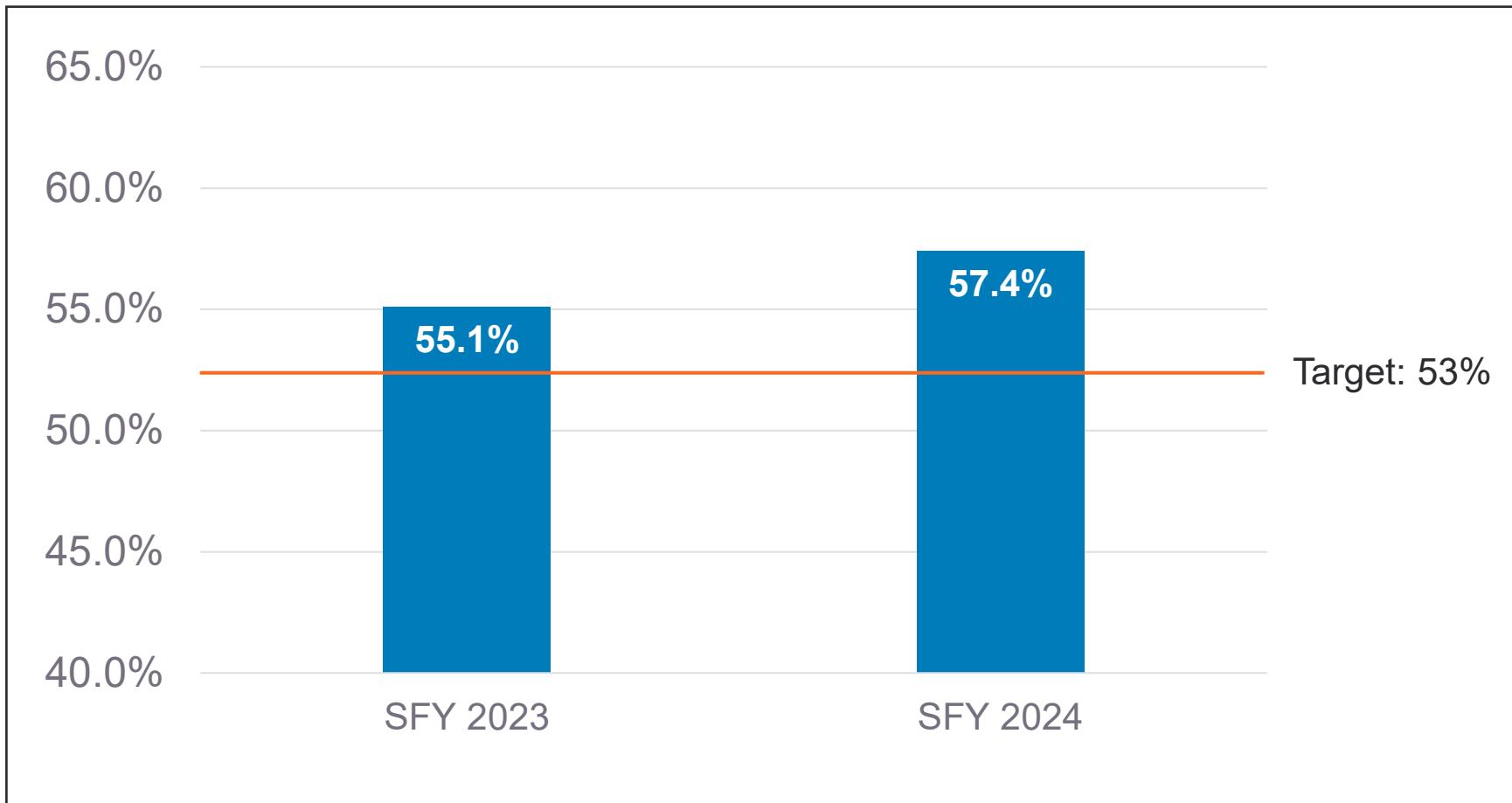


2nd Quarter Employment Rate by State

Top performing states

Michigan	70.3%	Nebraska	59.5%	Virginia	56.3%	Delaware	50.8%
West Virginia	69.4%	Illinois	58.9%	Massachusetts	56.2%	Rhode Island	49.7%
North Dakota	67.5%	South Dakota	58.6%	Colorado	55.9%	New York	48.9%
Missouri	64.8%	Iowa	58.6%	Arkansas	55.8%	California	48.5%
Idaho	64.5%	Alaska	57.9%	Wisconsin	55.4%	North Carolina	48.1%
South Carolina	63.8%	Tennessee	57.8%	Washington	55.3%	Puerto Rico	47.6%
Alabama	62.1%	Indiana	57.6%	Montana	55.2%	New Mexico	47.5%
Ohio	61.8%	Louisiana	57.3%	Oklahoma	54.6%	Maryland	47.1%
New Hampshire	61.8%	Pennsylvania	57.2%	Florida	54.5%	Wyoming	47.0%
Mississippi	61.2%	Vermont	56.9%	Kansas	54.5%	Maine	44.8%
Texas	60.8%	Nevada	56.6%	Utah	54.1%	Georgia	43.5%
Kentucky	60.3%	Connecticut	56.6%	New Jersey	53.4%	Hawaii	33.9%
Oregon	60.2%	Minnesota	56.4%	Arizona	53.0%	Dist. Of Columbia	31.6%

KPM 19: Continued employment — 4th quarter

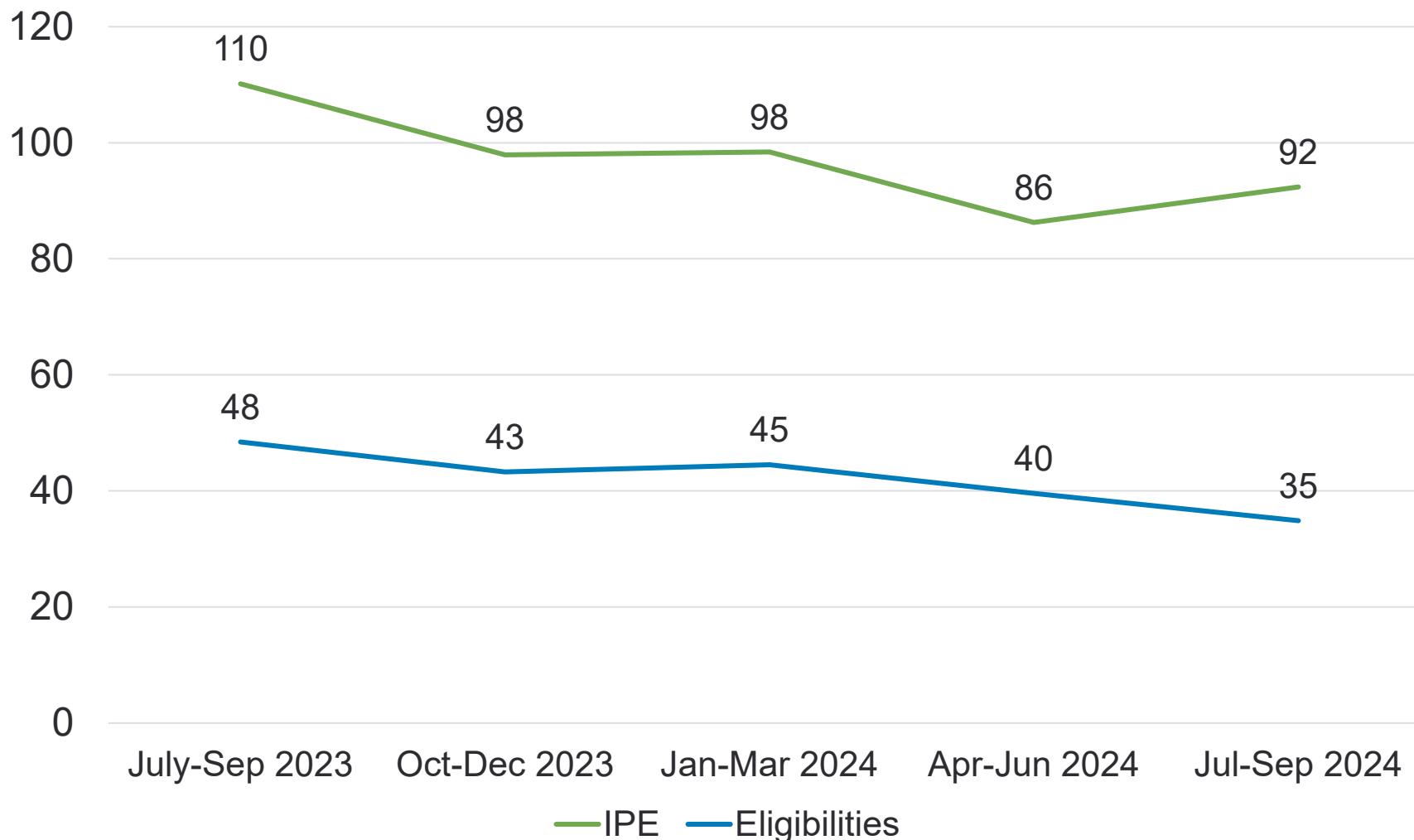


4th Quarter Employment Rate by state

Top performing states

North Dakota	69.1%	Kentucky	57.4%	Virginia	54.0%	Delaware	46.2%
Michigan	68.3%	Vermont	57.4%	Oklahoma	53.4%	Pennsylvania	45.0%
West Virginia	66.1%	Nevada	57.3%	Florida	53.3%	Maryland	44.9%
Missouri	62.5%	Connecticut	57.3%	New Jersey	52.8%	Rhode Island	44.4%
New Hampshire	61.2%	Nebraska	56.9%	Louisiana	52.6%	Maine	44.2%
Idaho	61.1%	Alaska	56.6%	Wyoming	52.4%	Puerto Rico	43.7%
Alabama	60.7%	Arkansas	56.3%	Montana	52.1%	New Mexico	43.3%
South Carolina	59.9%	Colorado	56.0%	Utah	51.4%	Georgia	42.0%
Ohio	59.4%	Indiana	55.9%	Arizona	49.6%	North Carolina	36.4%
Texas	59.1%	Minnesota	55.7%	Illinois	49.4%	Hawaii	34.1%
Mississippi	57.7%	Iowa	55.7%	California	48.4%	Washington	32.7%
Massachusetts	57.5%	South Dakota	55.1%	Kansas	47.9%	Tennessee	31.9%
Oregon	57.4%	Wisconsin	54.5%	New York	47.8%	Dist. Of Columbia	30.7%

Other measures that matter: Timeliness of services



Days to
eligibility
down 13
days

Eligibility
to plan
down 18
days

Agenda

- I. Who we are
- II. Budget overview
- III. Programs and services
- IV. Tracking our progress
- V. Key issues**
- VI. The work ahead
- VII. Closing remarks

Vocational Rehabilitation

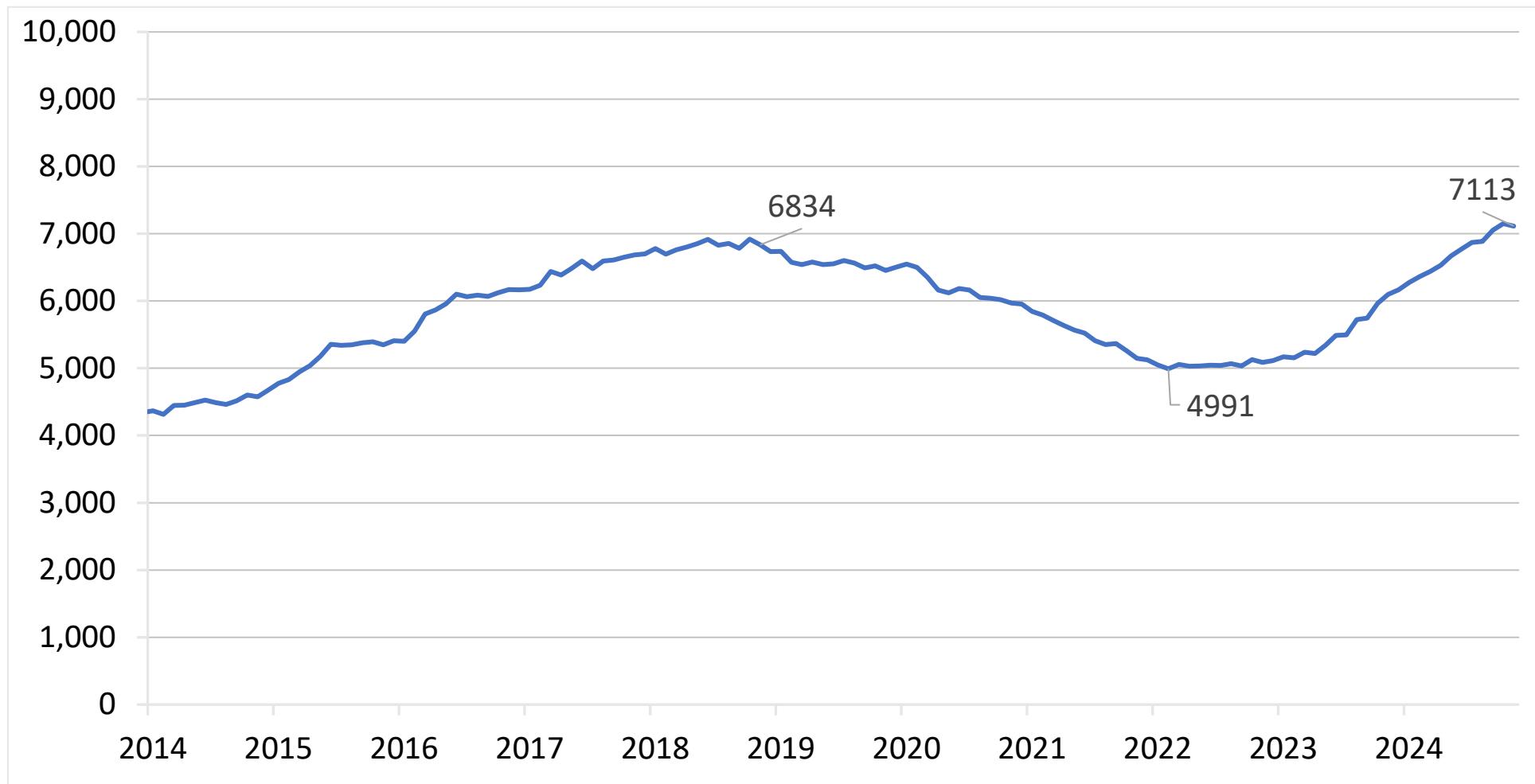


Challenges for 2025-27

- Caseload increases
- Inflation: increasing cost per case
- Flat federal funding
- Planning for Order of Selection (waitlist)



Who we serve over time: Clients in plan



Budget and staff resources do not increase when caseloads go up.



Steps VR has taken to address the increase caseloads and costs per client:

Comparable Benefits training

Applied for reallocation funds

Using other short-term available funds

Technical assistance and talking to other states

Next step: Preparing for Order of Selection (OOS)

What

OOS is a tool directing how state VR programs should deliver services when there are not enough resources to serve everyone who is eligible.

Details

- Waitlist for new applicants.
- Prioritize those with the **most significant disabilities** based on when they apply. Office capacity is not considered.
- Waitlist would not apply to students receiving Pre-ETS.
- Other public workforce programs may be able to pay for some employment services.

Historical and national context

Before the pandemic VR was on course to implement OOS

The last time Oregon implemented a wait list was in 2007 – 2009

Other states following an OOS model: ID, FL, PA, WA

Cost savings considerations

Facilities footprint

Office expenses

Training and travel

Partner with Oregon
Department of Education
and school districts to deliver
Pre-ETS

Revise contract terms

Bring more Pre-ETS in-house

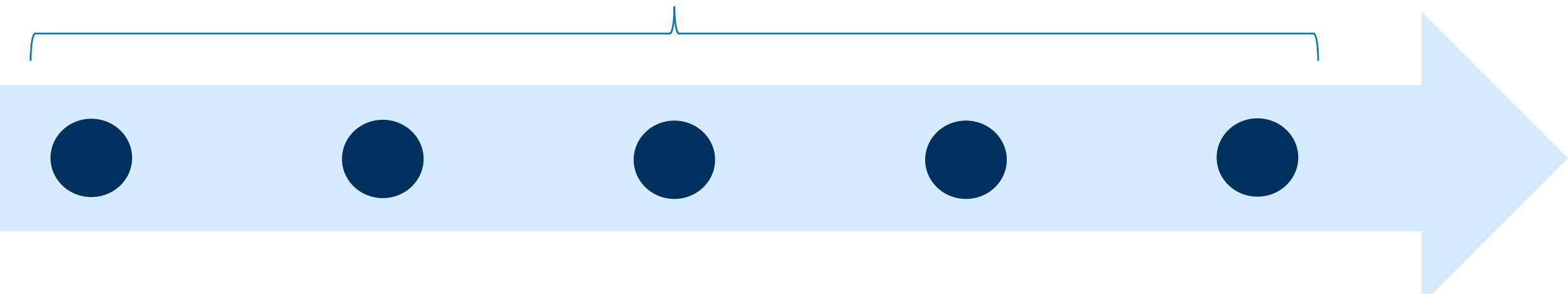
**Areas of
potential cost
savings**

Partner with Public Workforce
System partners to provide
comparable services

Phase out some Temp and LD
positions

Next steps

Consult with State Rehabilitation Council, Tribes,
Office of Developmental Disabilities, others



Notify RSA

Revise
state plan

Public
meetings

Staff and
partner
trainings

Waitlist

Order of Selection: Potential impact

- 27% decrease in direct services.
- 2,580 people would immediately go to a waitlist for services.
- Waitlist will continue to grow.
- Inability to meet Maintenance of Effort, which will cause penalties and reduction of federal funds.
- Small, specialized vendors that rely on VR for revenue would lose income.

Agenda

- I. Who we are
- II. Budget overview
- III. Programs and services
- IV. Tracking our progress
- V. Key issues
- VI. The work ahead**
- VII. Closing remarks

Vocational Rehabilitation



Looking ahead: Creating efficiencies

Past



Future

Electronic case records

Less paperwork, less data entry

Electronic information sharing

Streamline intake process

Outcome

- Easier to get services
- Better customer experience
- Better stewardship of tax dollars

Looking ahead: Improving contract oversight, quality assurance and accountability

VR connects job seekers with **hundreds of local service providers around the state.**

VR is administering more than **triple** the number of contracts compared to a decade ago — with the same number of staff.

An investment in the Contracts and Training units would help improve the **quality and consistency** of contracted services.

POP 105: Contract and Fiscal Compliance



Problem: A federal audit noted insufficient contract monitoring for federally awarded funds. VR needs more staff to meet these requirements. No action could result in sanctions or reductions in federal funding.



Outcomes:

- Improved oversight of VR contracted services
- Increased number of contracts with culturally and linguistically specific vendors
- Improved quality and consistency of services
- Better employment outcomes for VR clients



Solution: Fund four full-time positions to focus on VR-specific contract monitoring, quality assurance, and training.



VR administers over 350 contracts with the same staff levels as a decade ago.



Resources

GF: \$745,663

OF: \$0

FF: \$0

Pos.: 4 **FTE:** 3.00

Agenda

- I. Who we are
- II. Budget overview
- III. Programs and services
- IV. Tracking our progress
- V. Key issues
- VI. The work ahead
- VII. Closing remarks**

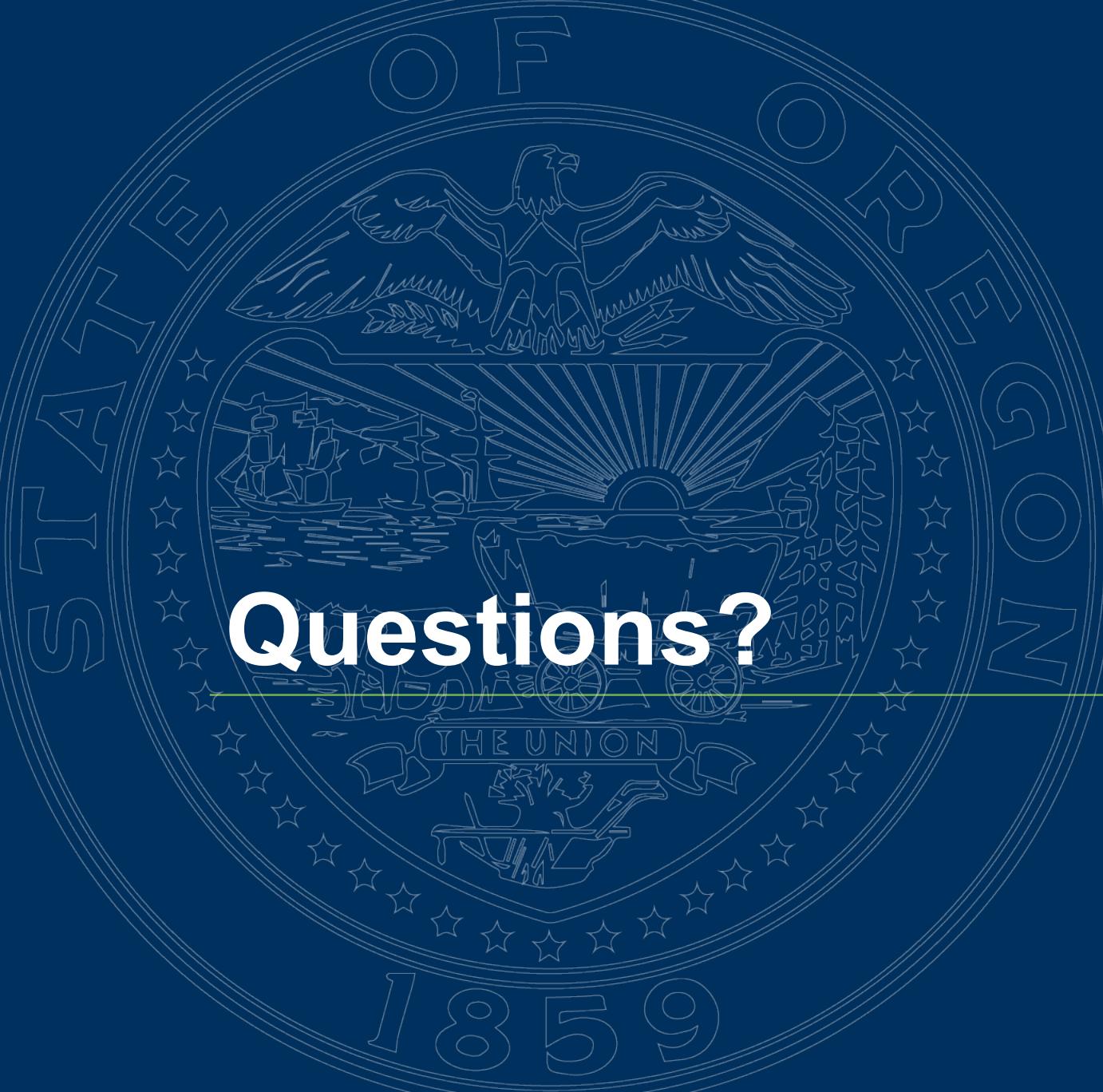
Vocational Rehabilitation





Oregon Department
of Human Services
VOCATIONAL REHABILITATION



A large, faint watermark of the Oregon state seal is positioned on the left side of the slide. The seal is circular with a blue background. It features an eagle with spread wings perched on a shield. The shield contains a sun rising over mountains, a river, and a plow. A banner at the bottom of the shield reads "THE UNION". The outer ring of the seal contains the text "THE STATE OF OREGON" and the year "1859".

Questions?



Thank you.

