

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

# Vocational Rehabilitation (VR)

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Keith Ozols, VR Director

March 13, 2025

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

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“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

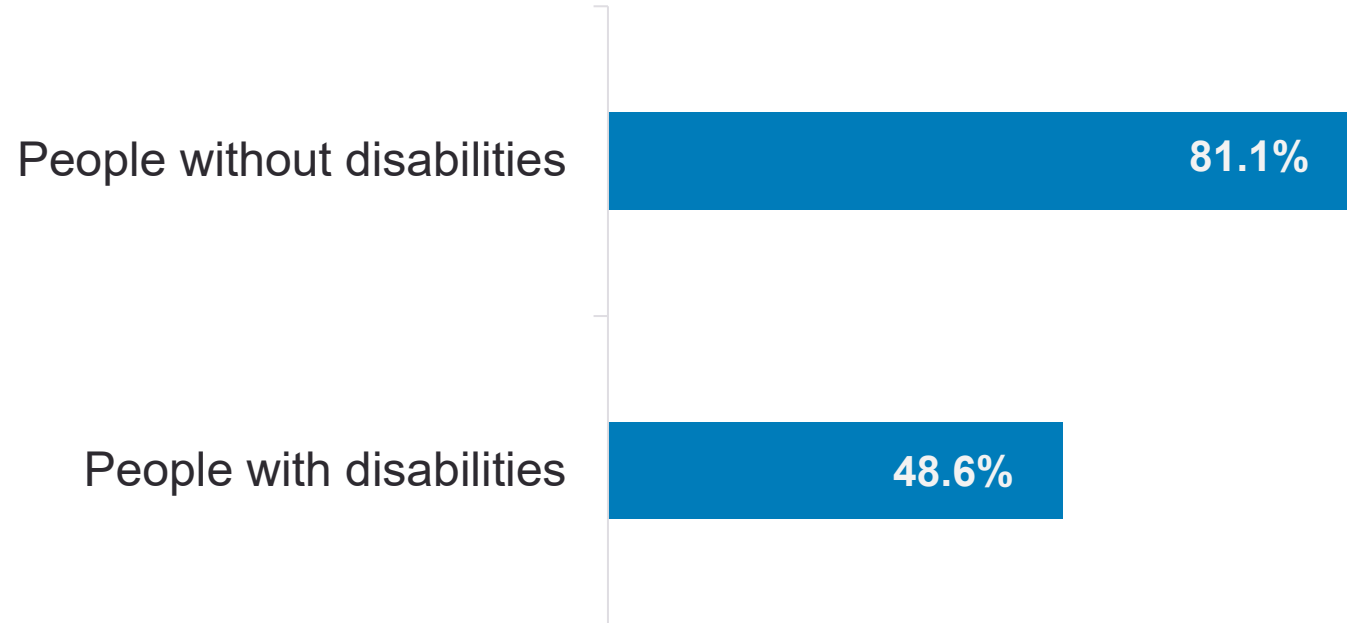
**Vocational Rehabilitation**



# Oregon's employment landscape

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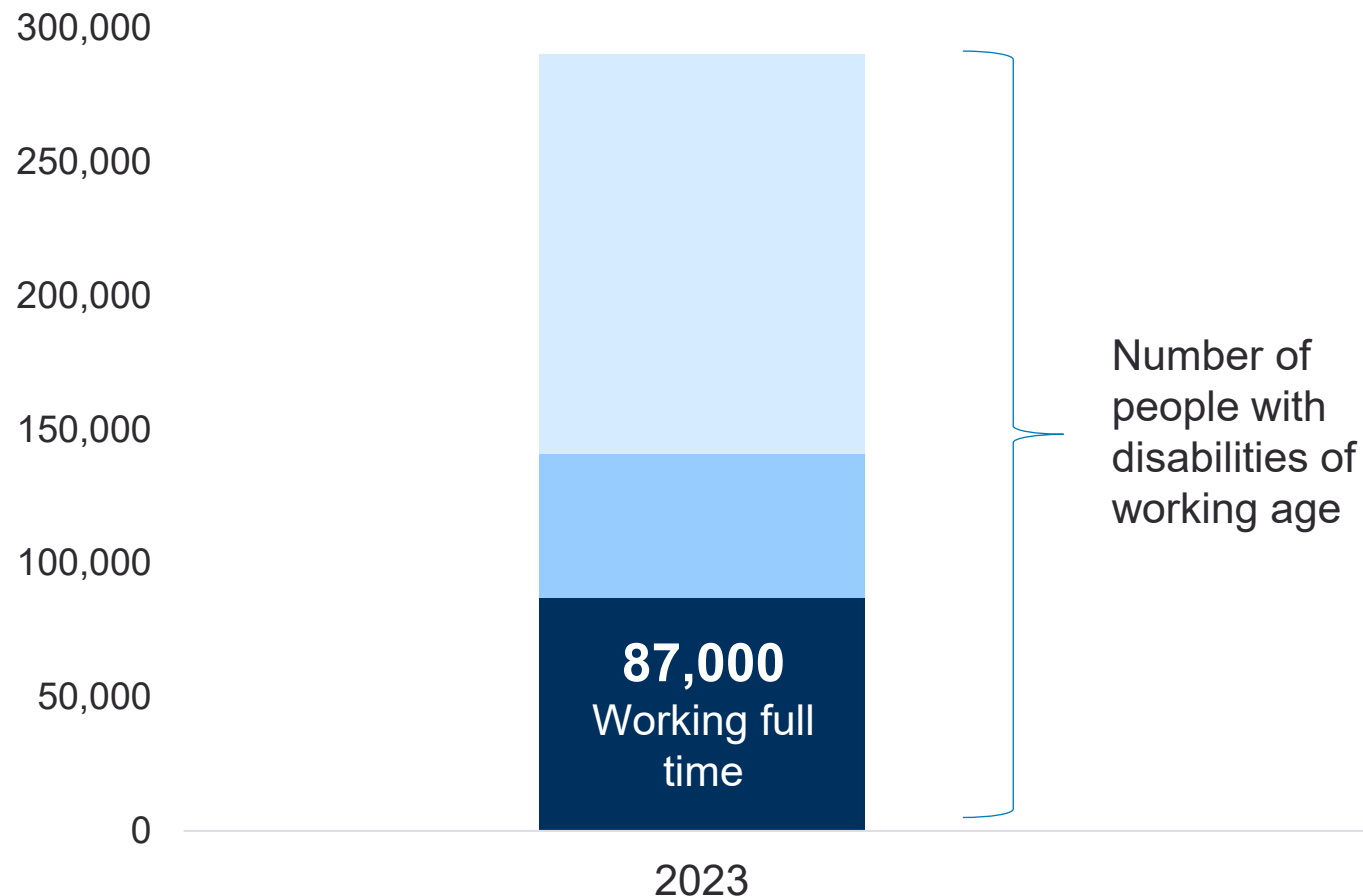
## 2023 Employment Rate in Oregon (ages 21 – 64)



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

# Employment landscape for people with disabilities

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# Who we are

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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

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# Context: Key budget changes over time

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## 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

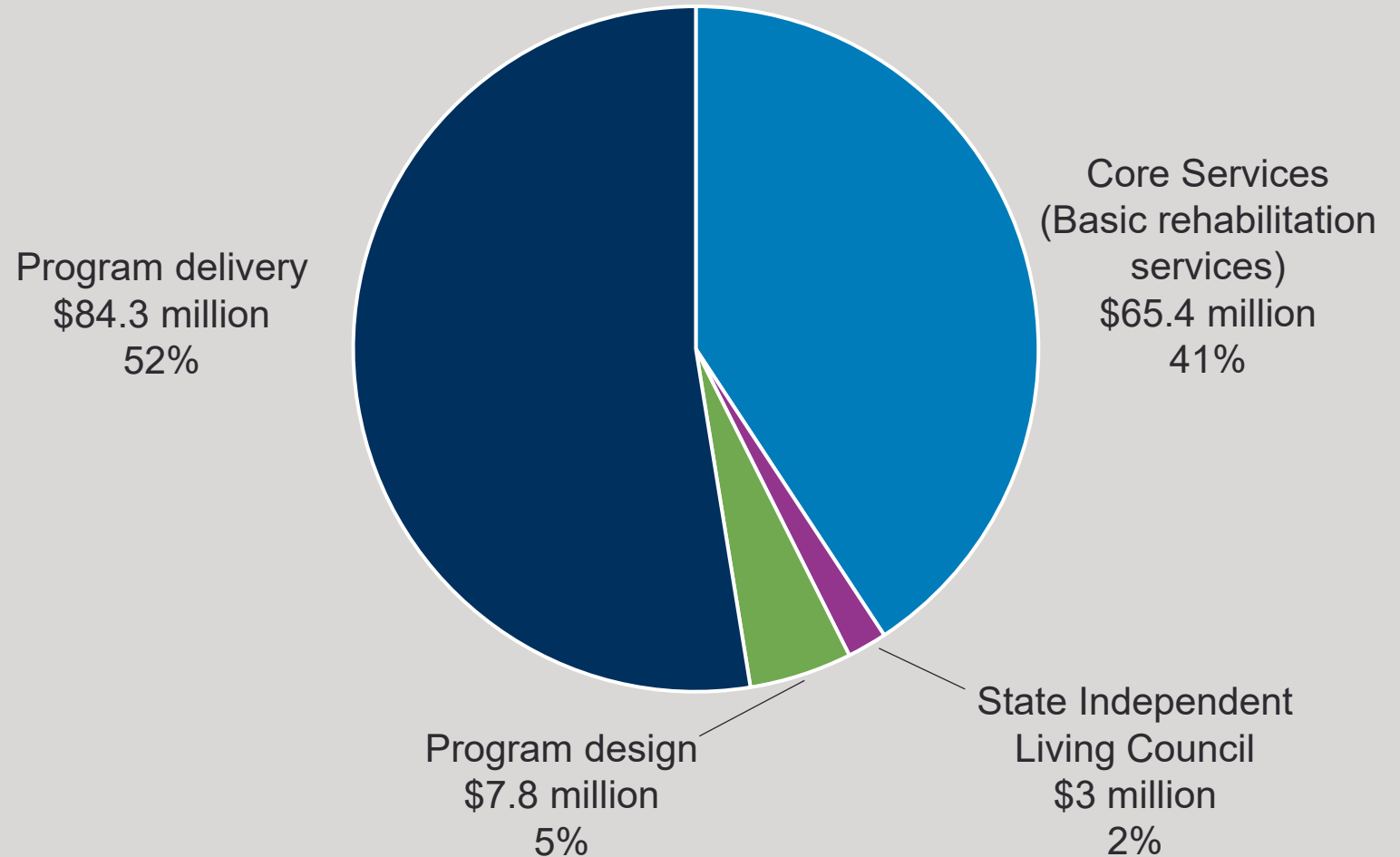


# 2025-27 Governor's Budget:

## Total fund by service area

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Total: \$160.5 million

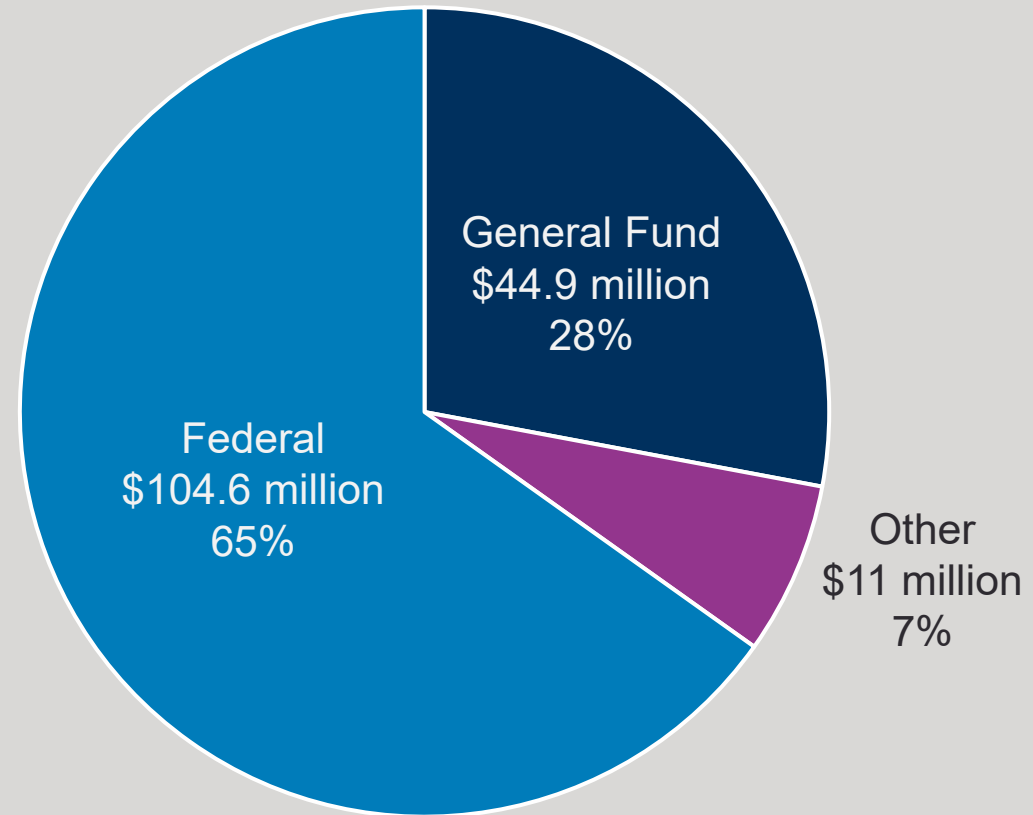


# 2025-27 Governor's Recommended Budget

## Total by fund type

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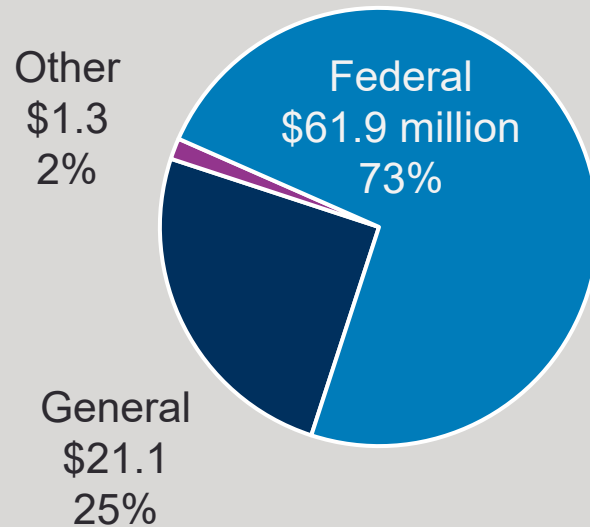
Total: \$160.5 million



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

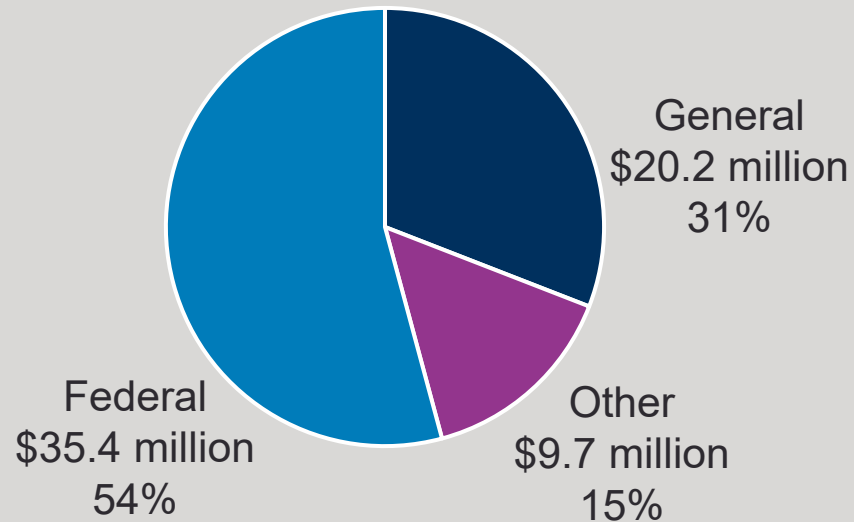
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## Program Delivery



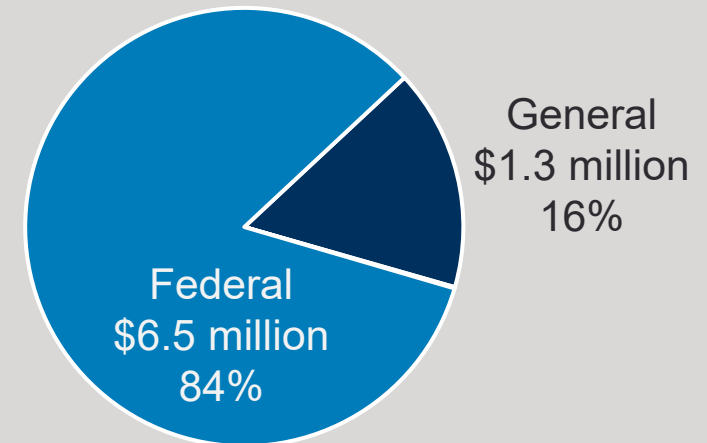
**Total: \$84.3 million**

## Core Services



**Total: \$65.4 million**

## Program Design



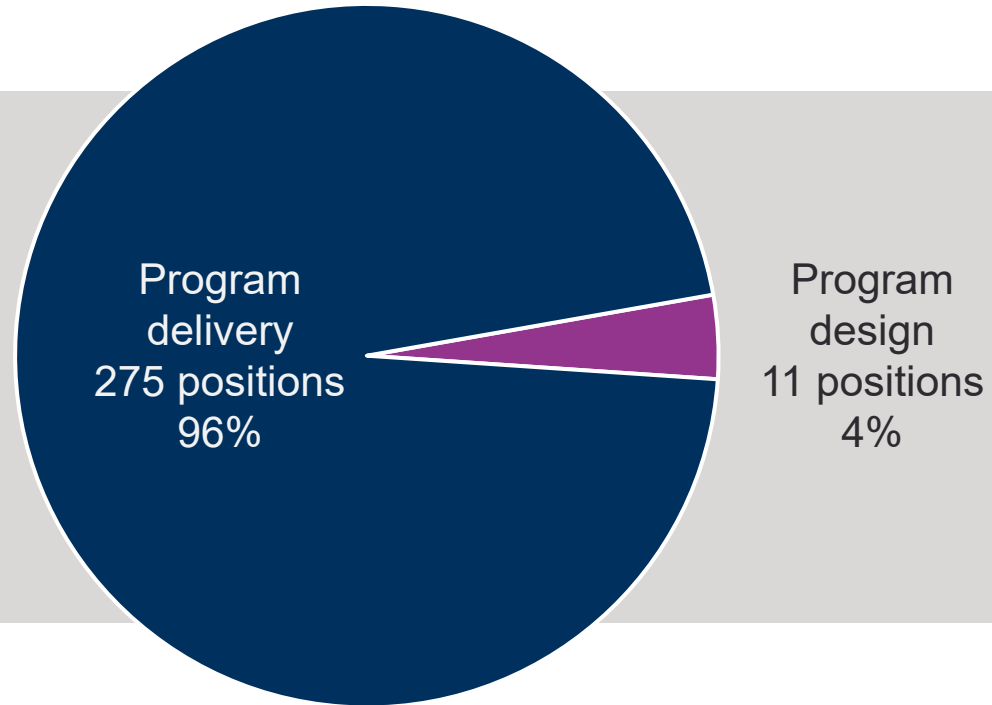
**Total: \$7.8 million**

# 2025-27 Governor's Budget:

## Positions by program area

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**Total positions: 286**



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**Vocational Rehabilitation**



# **VR Services overview**

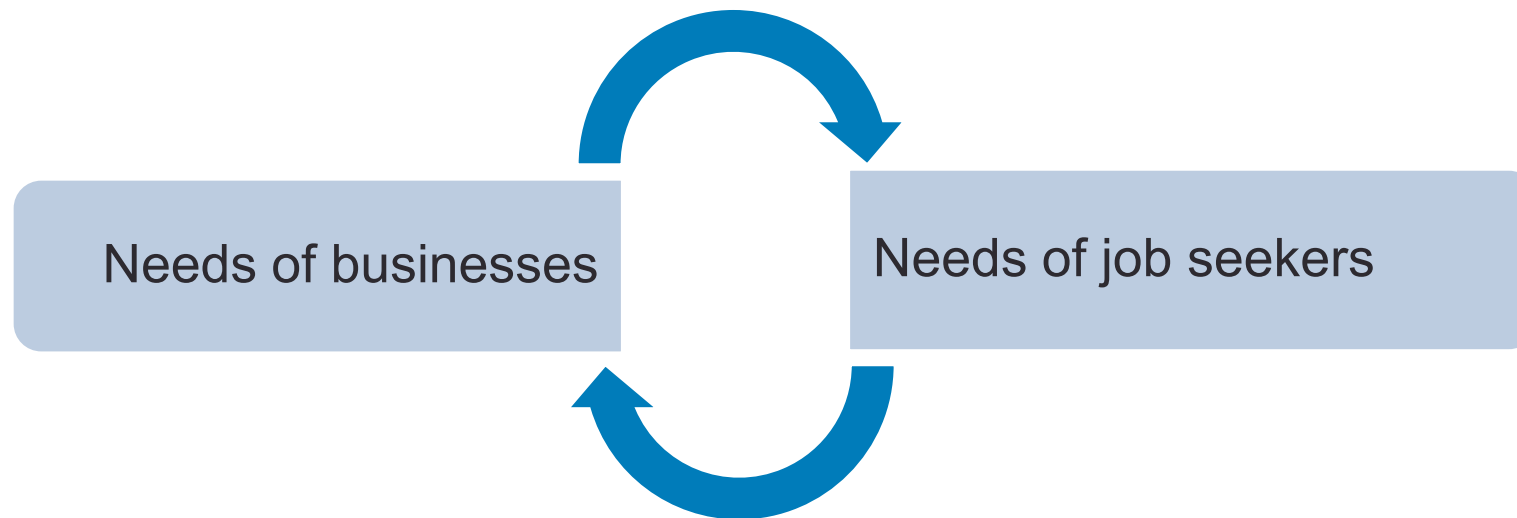


# Policy direction

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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

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**14,253**

Job seekers  
received VR  
services

**2,052**

Job seekers  
obtained  
employment

**4,780**

Job seekers working  
on their  
Individualized Plan  
for Employment

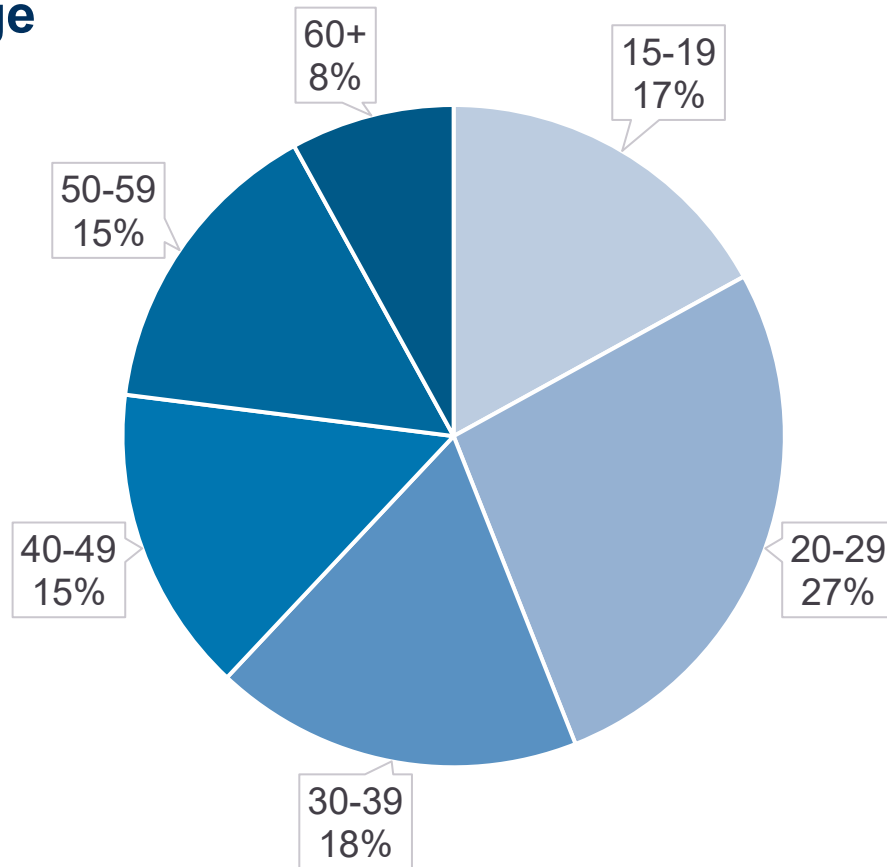
**3,195**

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

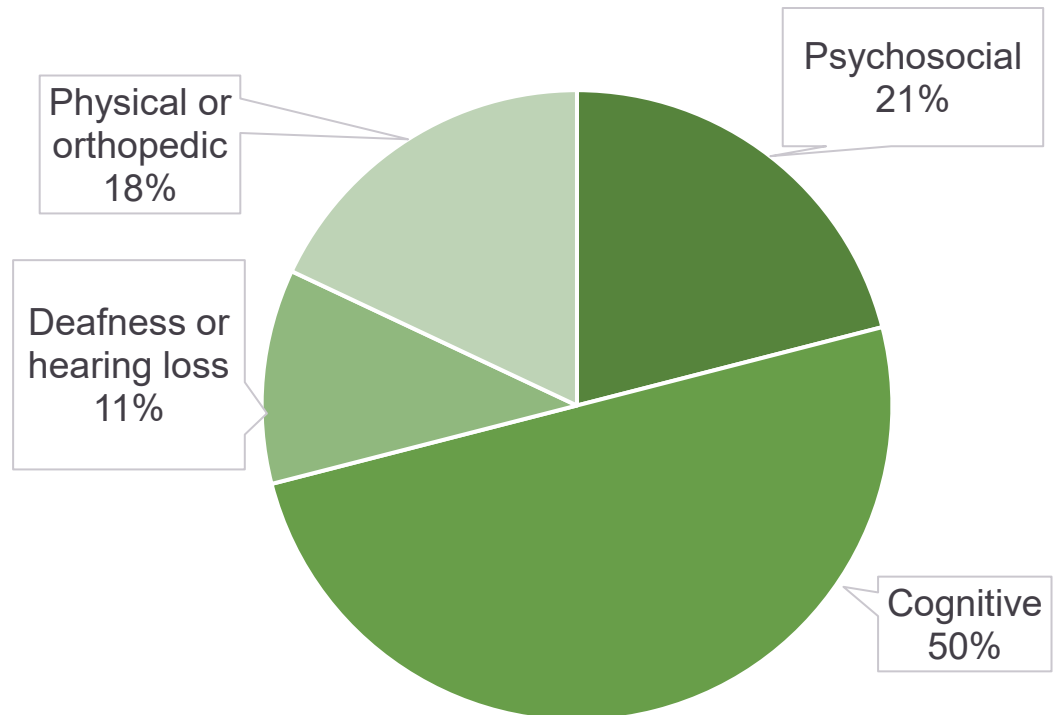
\*State Fiscal Year 2024

# Who we serve by age and disability

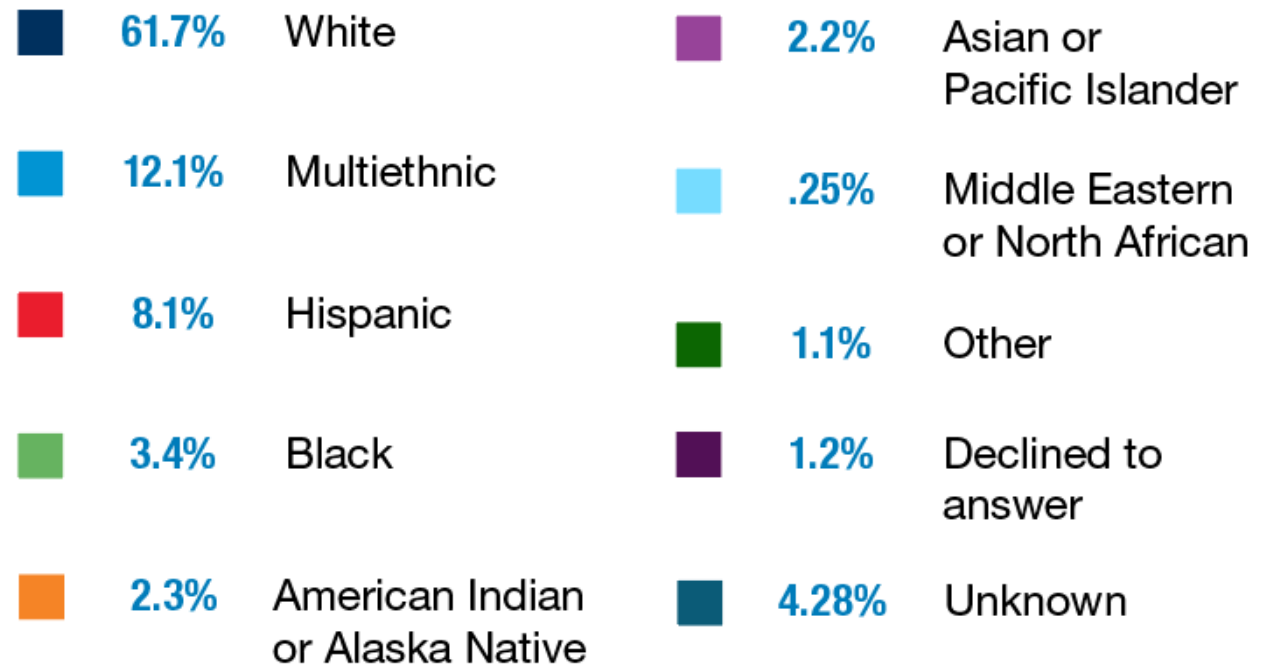
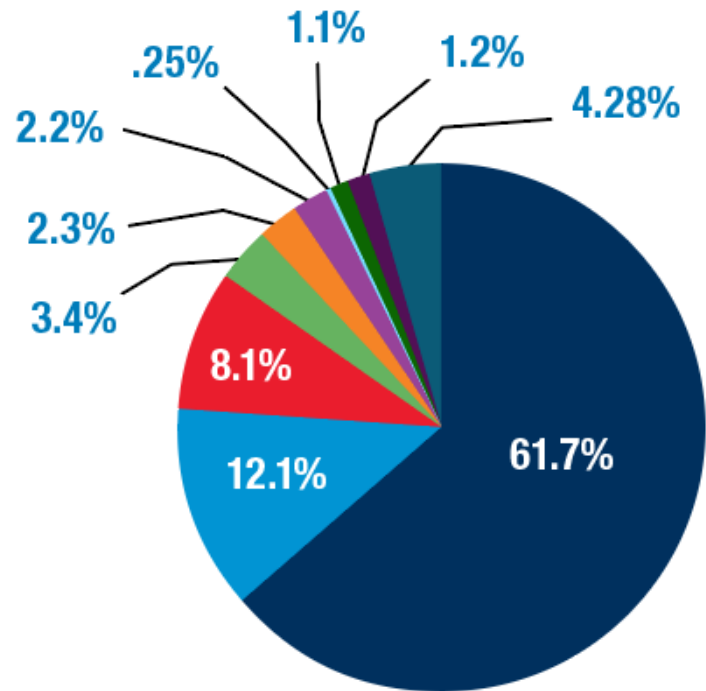
**Age**



**Disability**



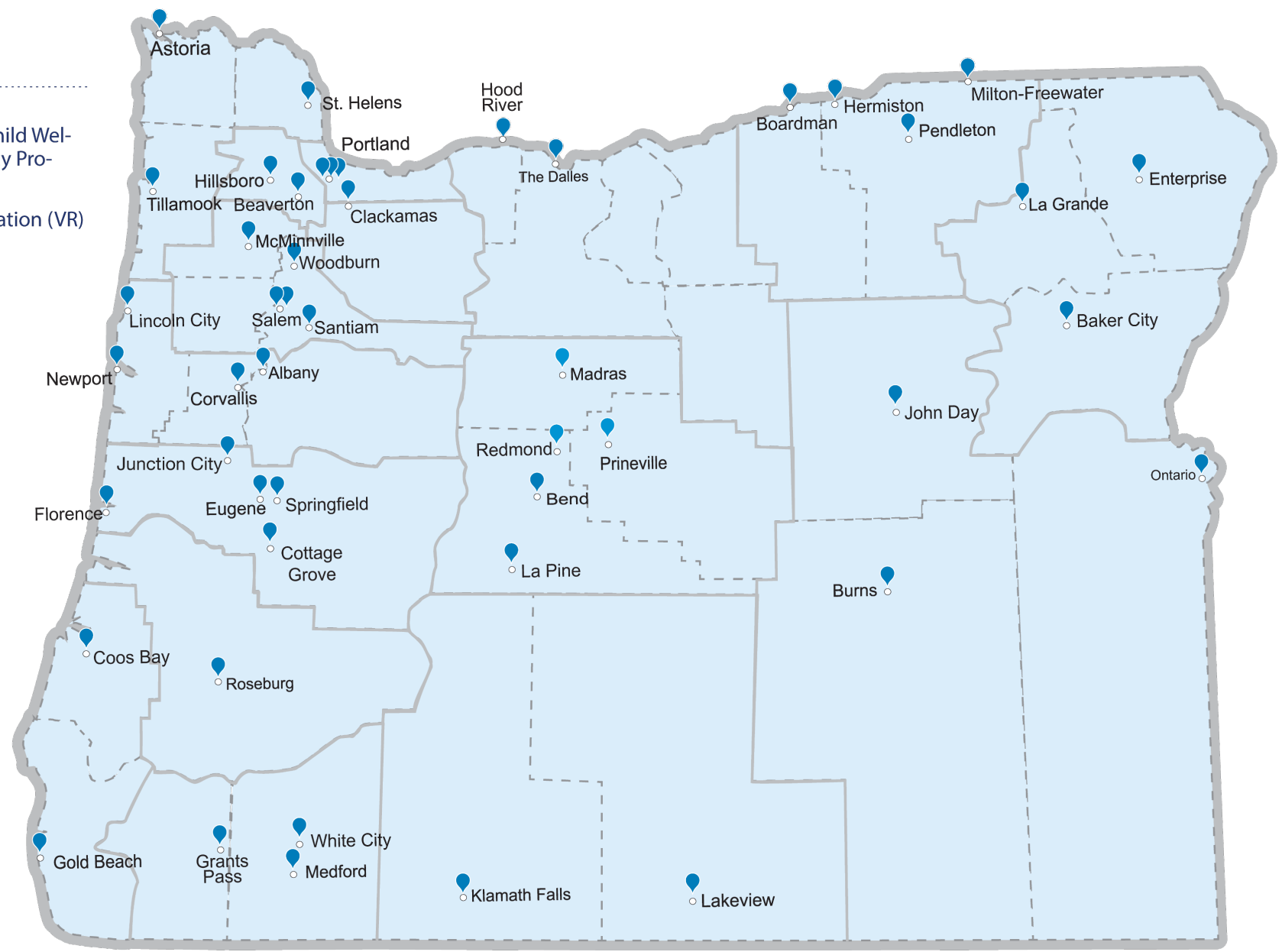
# Who we serve by race and ethnicity



# Where we serve

KEY

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



# How we're organized

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## 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

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## Advisory partner

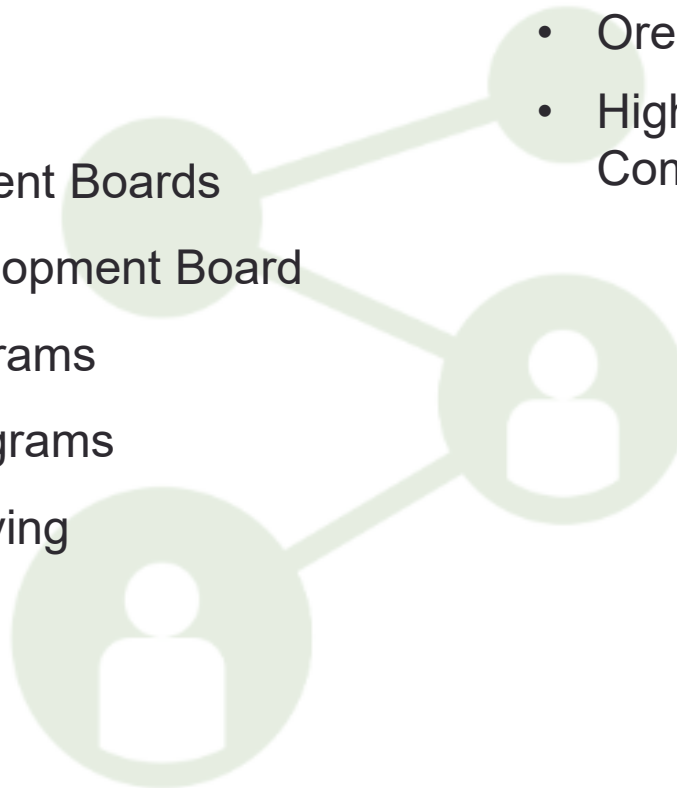
- State Rehabilitation Council

## Oregon Workforce System partners

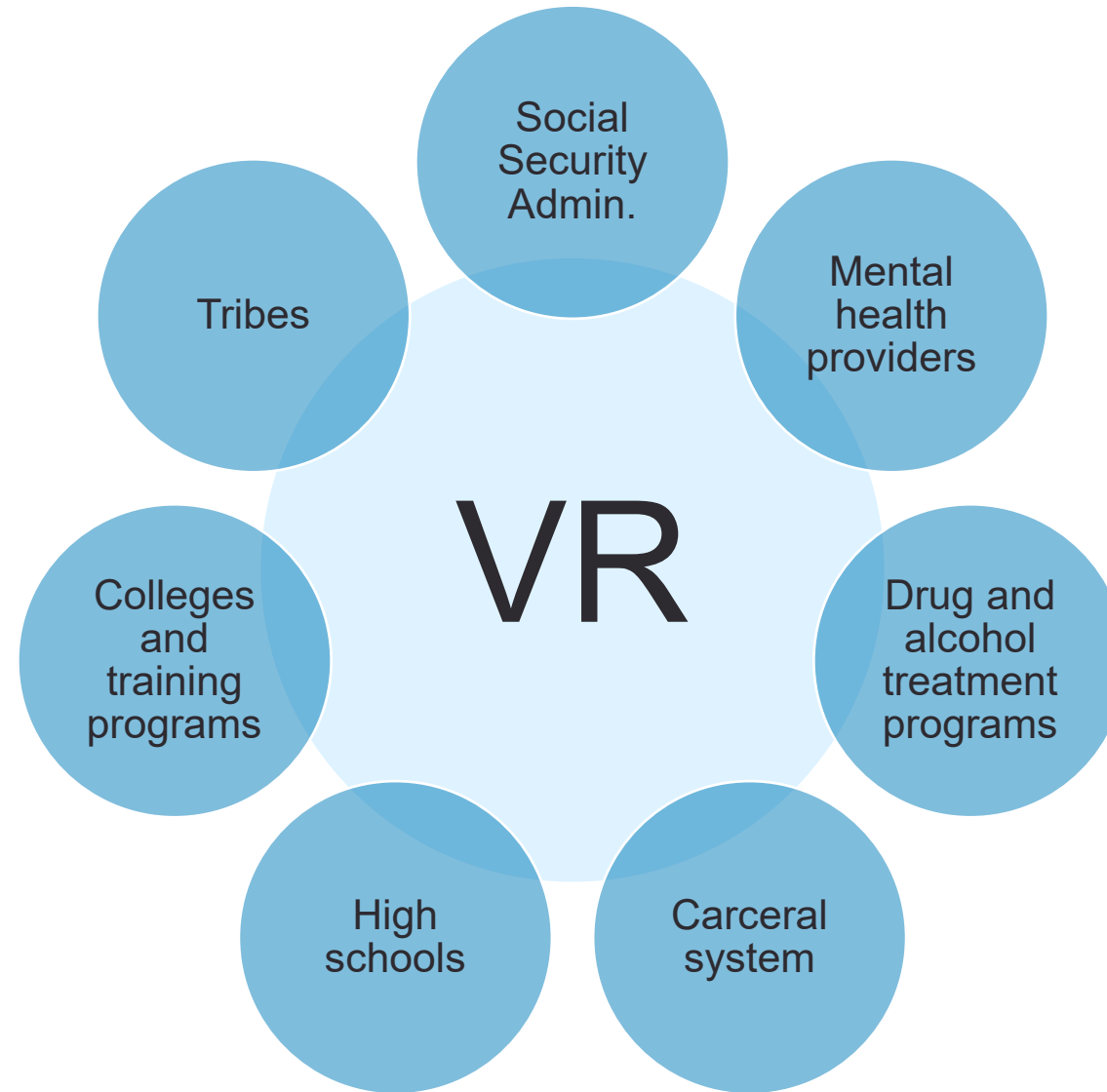
- Oregon Commission for the Blind (OCB)
- Oregon Department of Education (ODE)
- Oregon Employment Department (OED)
- Higher Education Coordinating Committee (HECC)

## Other key partners

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

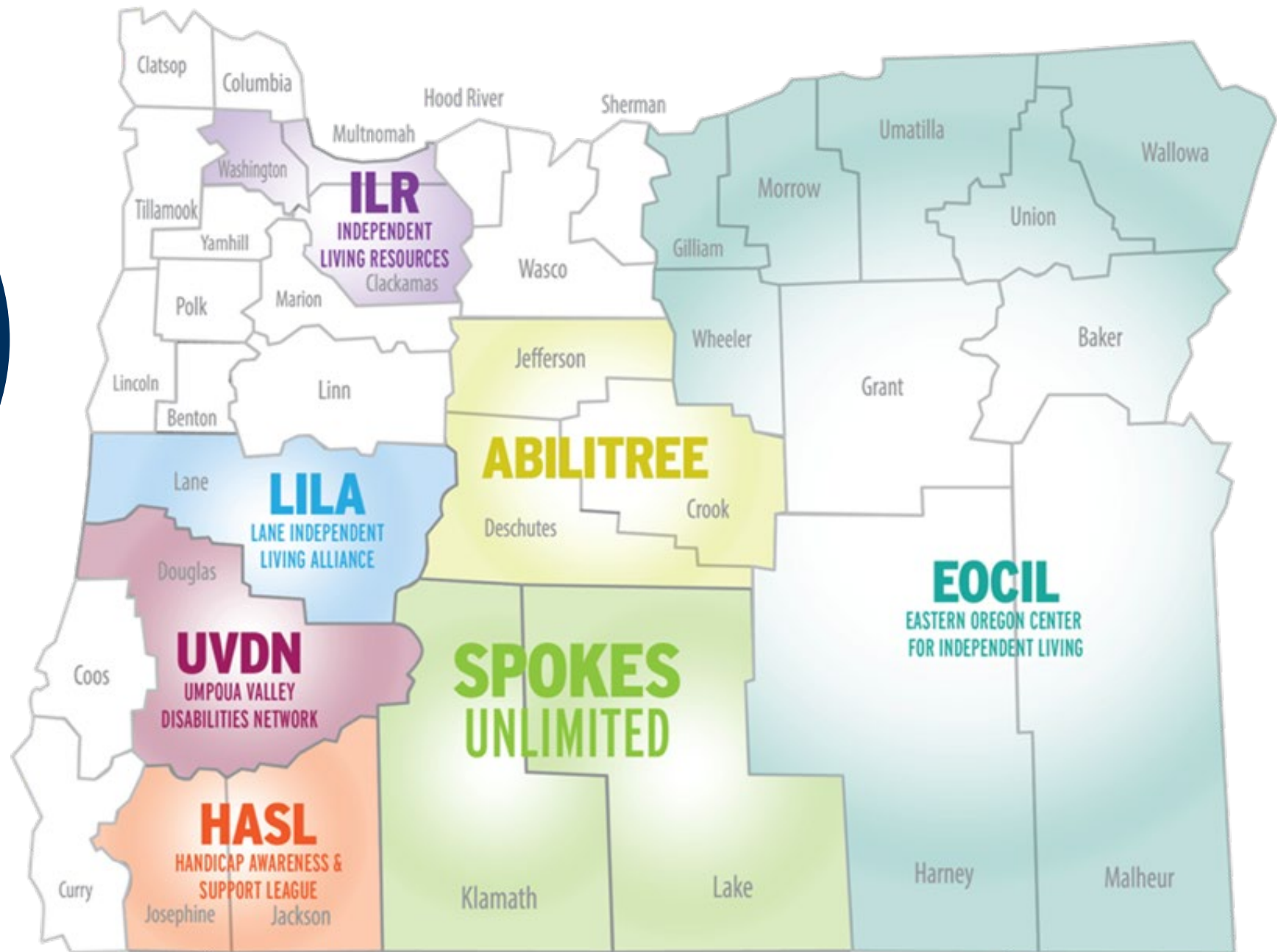


# Our reach





# Centers for Independent Living

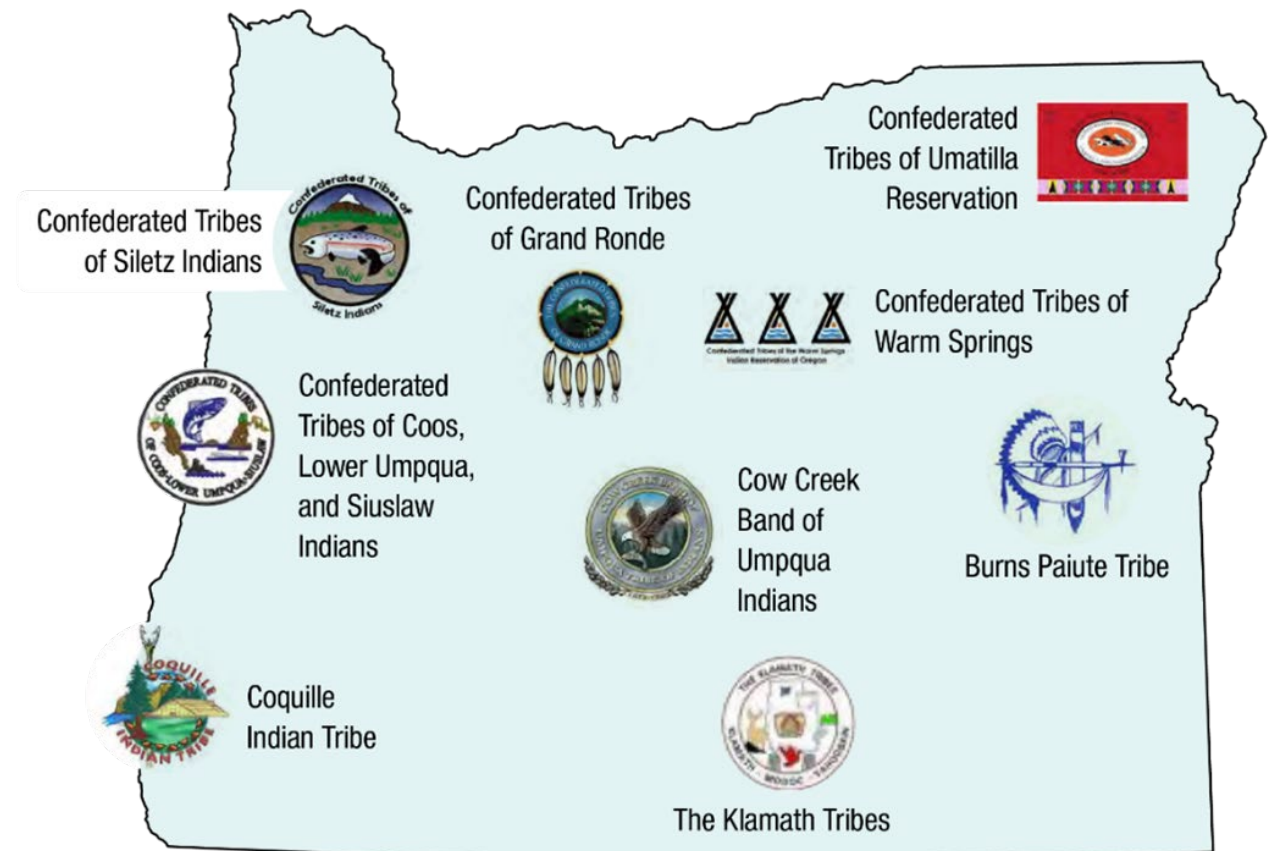


# Government-to-government relations

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







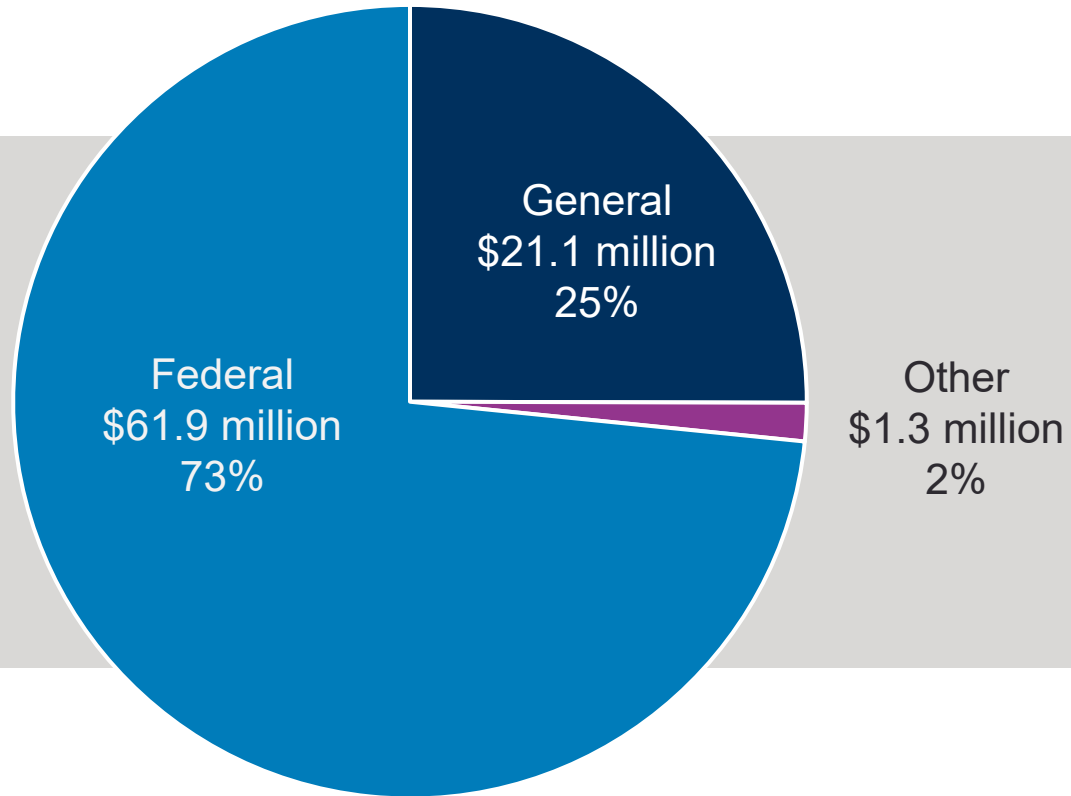
# Program Delivery

# 2025-27 Governor's Budget: Program Delivery

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**Total: \$84.3  
million**

**275 positions**



# Major costs: Program Delivery

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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

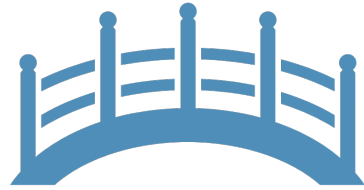
# Program Delivery: How we serve

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## **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

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Intake and  
eligibility

Individualized  
Plan for  
Employment

Training, tools  
and skills

Job search

Get hired

# A welding internship leads to career path for Rose

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“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

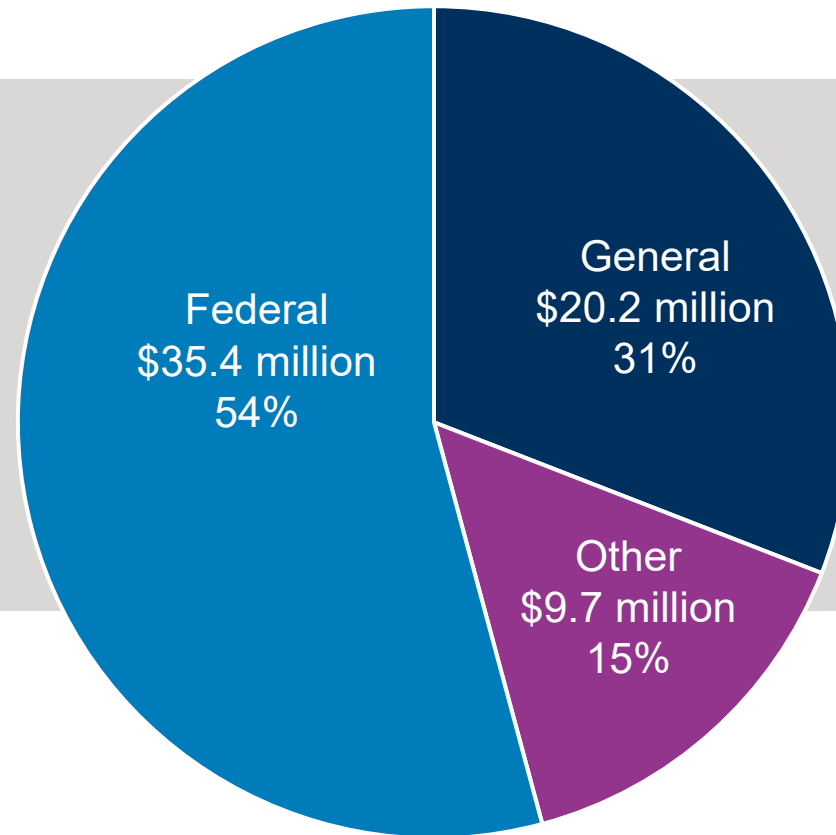


# Core Services

# 2025-27 Governor's Budget: Core Services

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**Total: \$65.4 million**





# Major costs: Core services

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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.

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**Vocational Rehabilitation**





# Key 2023-25 successes

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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

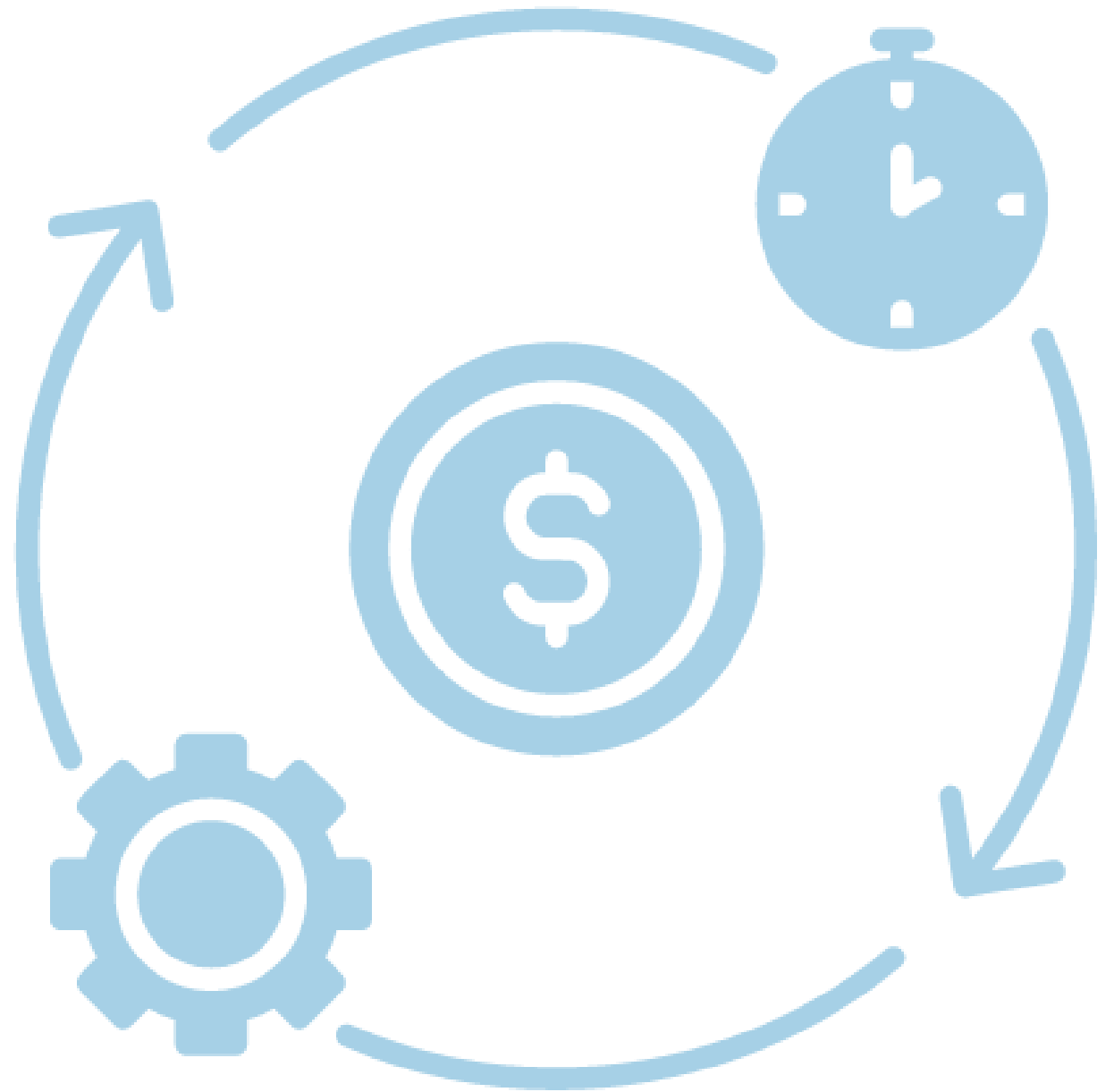
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Four main goals:

- 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

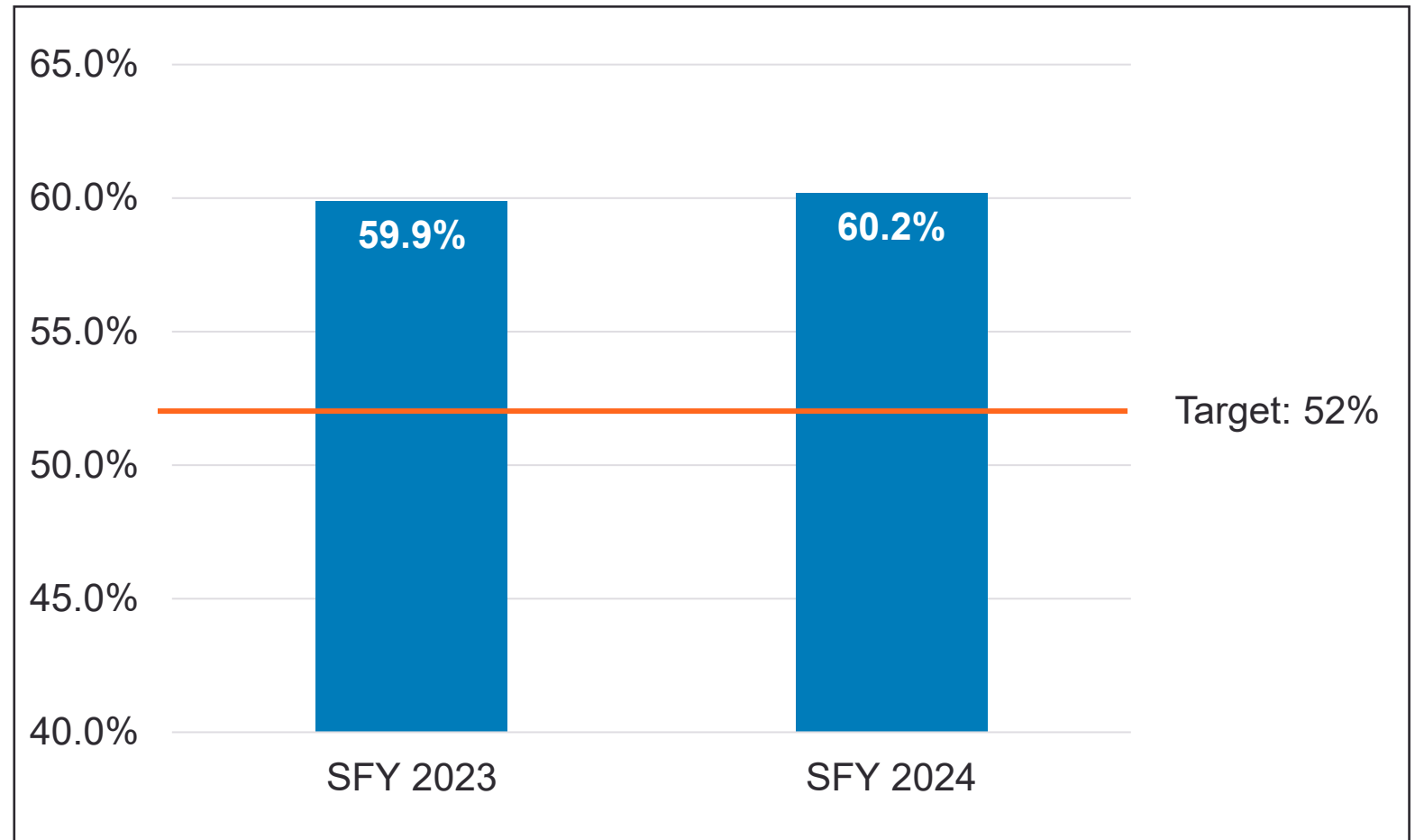
# Key performance measures



# KPM 18: Continued employment — 2<sup>nd</sup> 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.



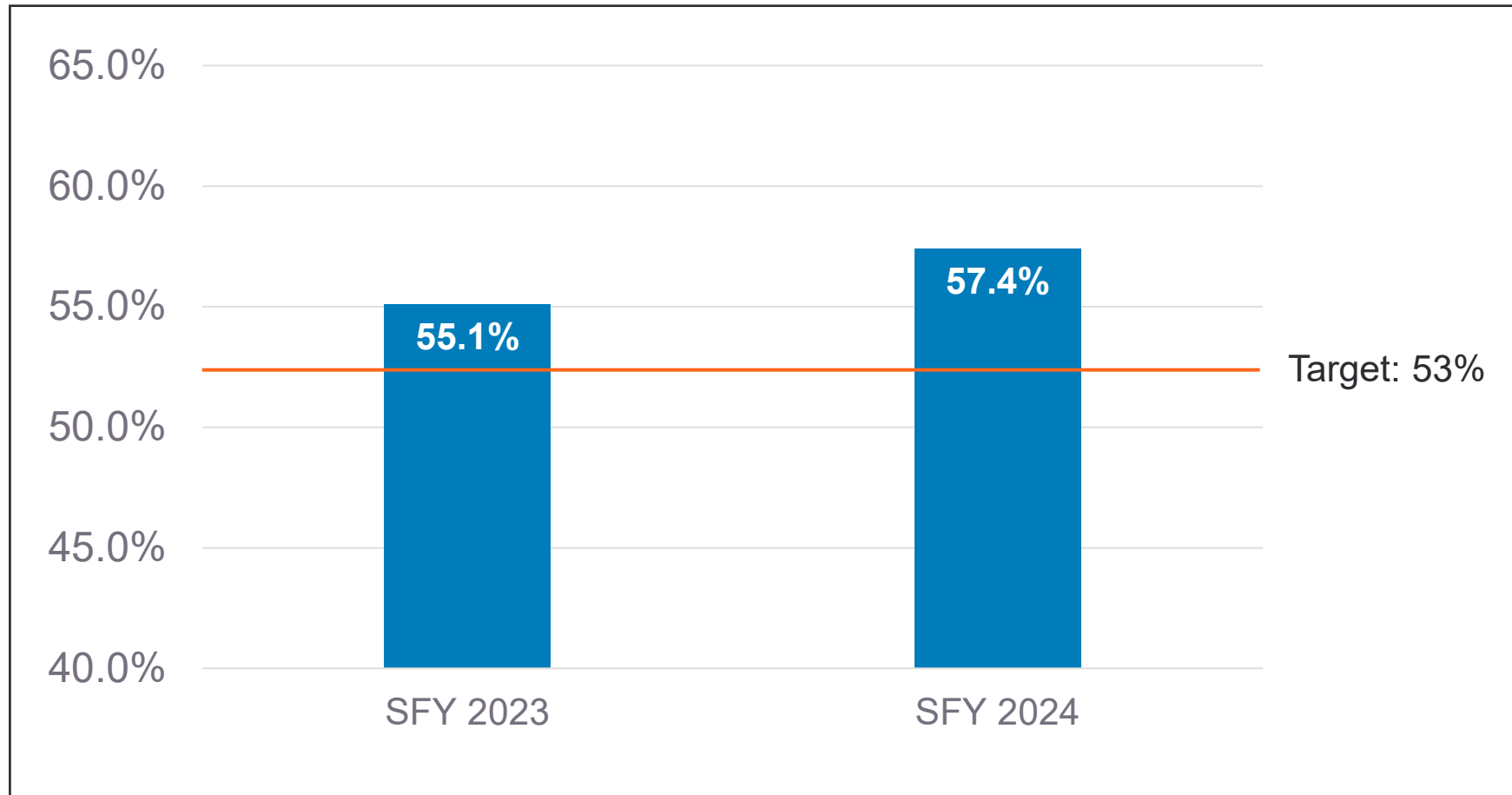
# 2<sup>nd</sup> Quarter Employment Rate by State

## 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

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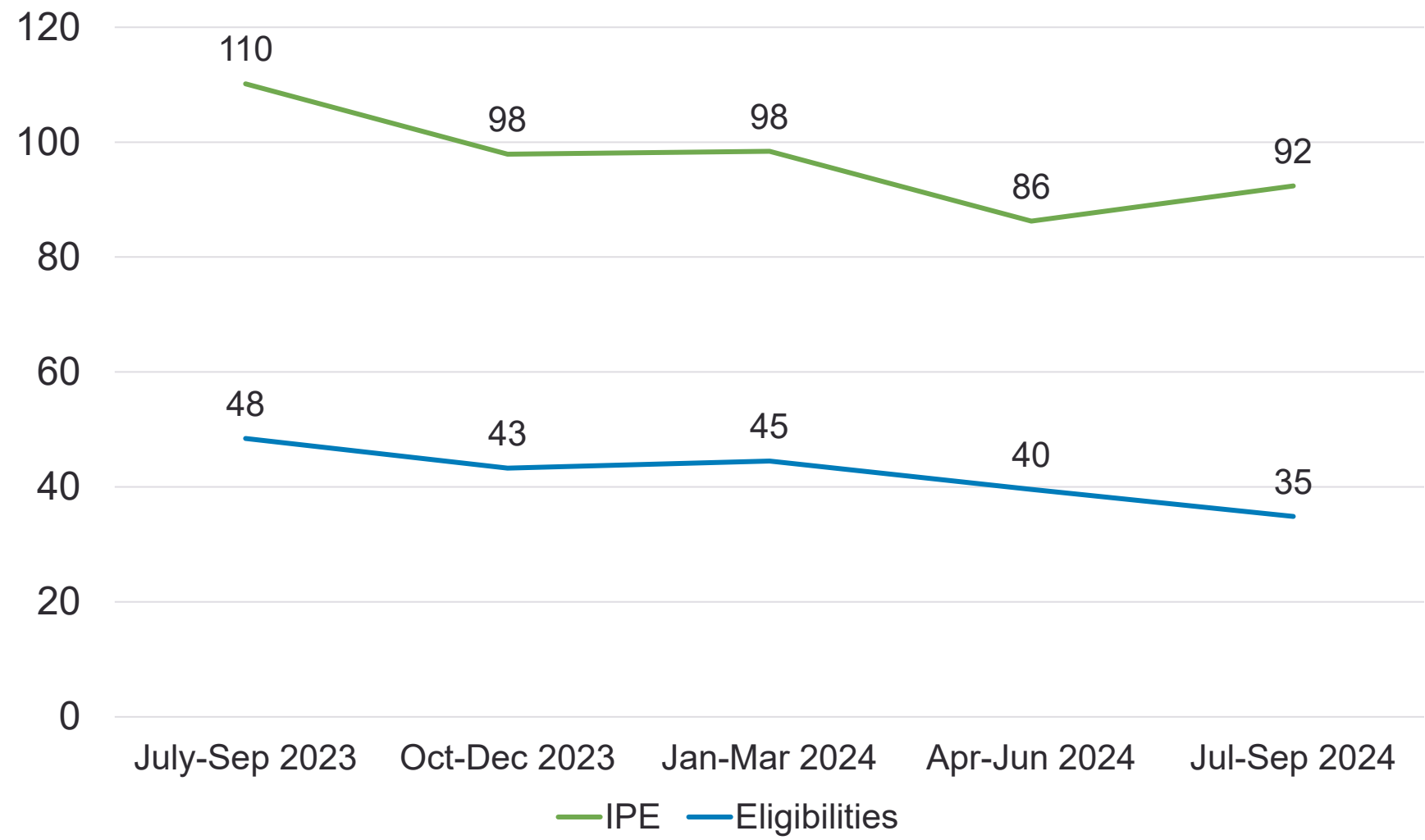


# 4<sup>th</sup> Quarter Employment Rate by state

## 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**



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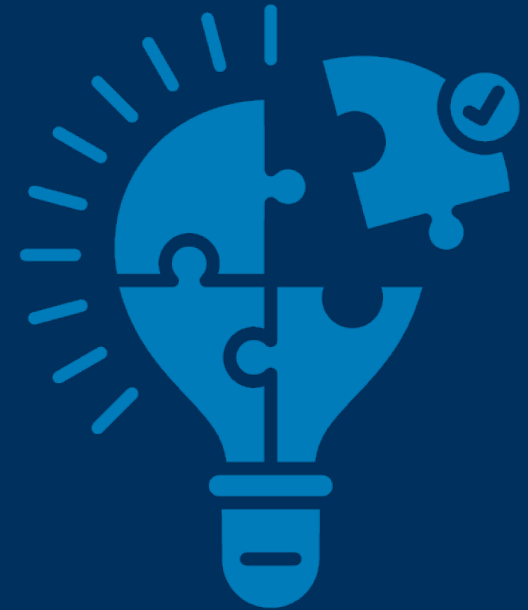
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# Challenges for 2025-27

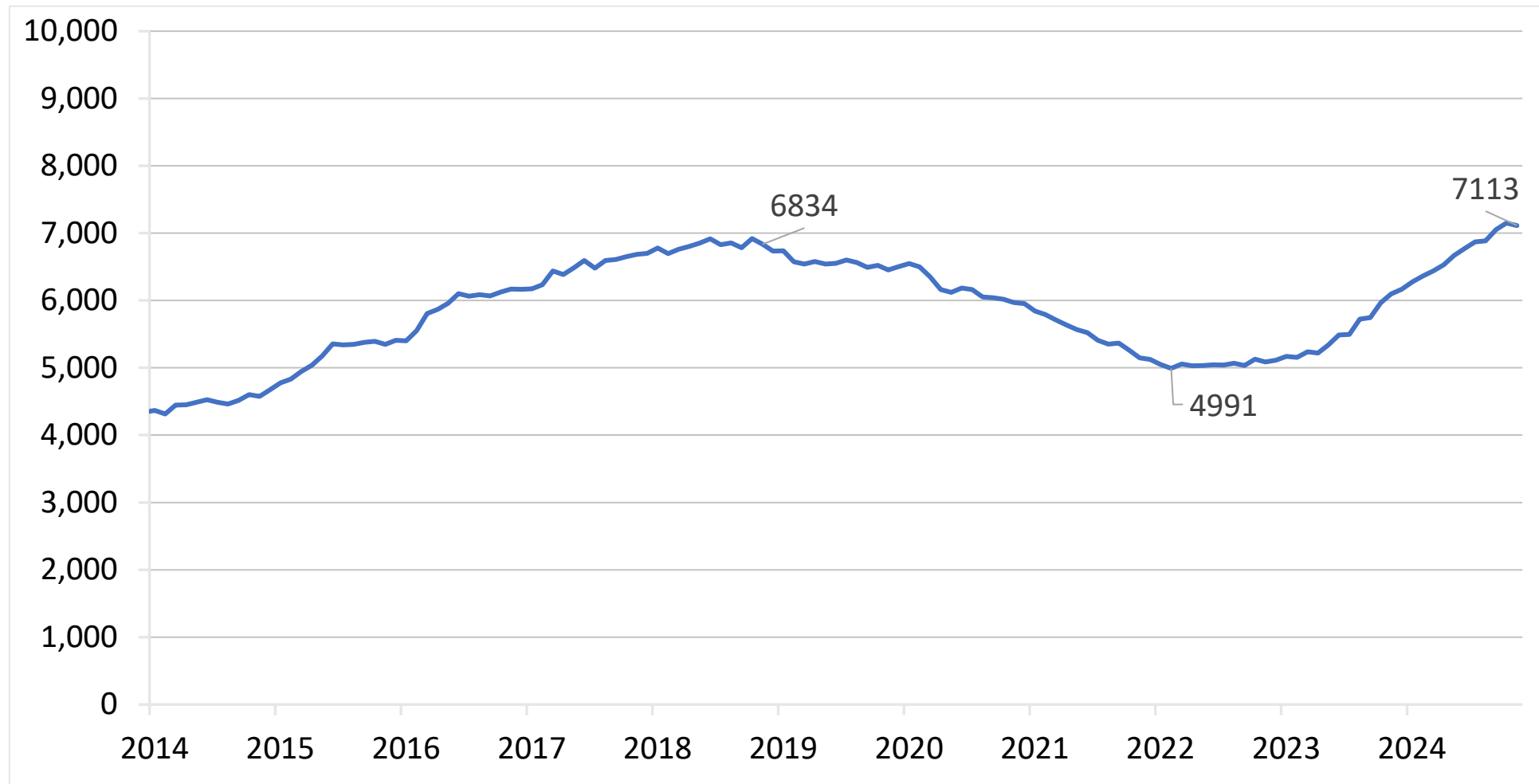
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- Caseload increases
- Inflation: increasing cost per case
- Flat federal funding
- Planning for Order of Selection (waitlist)



# Who we serve over time: Clients in plan

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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  
reallotment funds**

**Using other short-  
term available funds**

**Technical assistance  
and talking to other  
states**

# Next step: Preparing for Order of Selection (OOS)

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## 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

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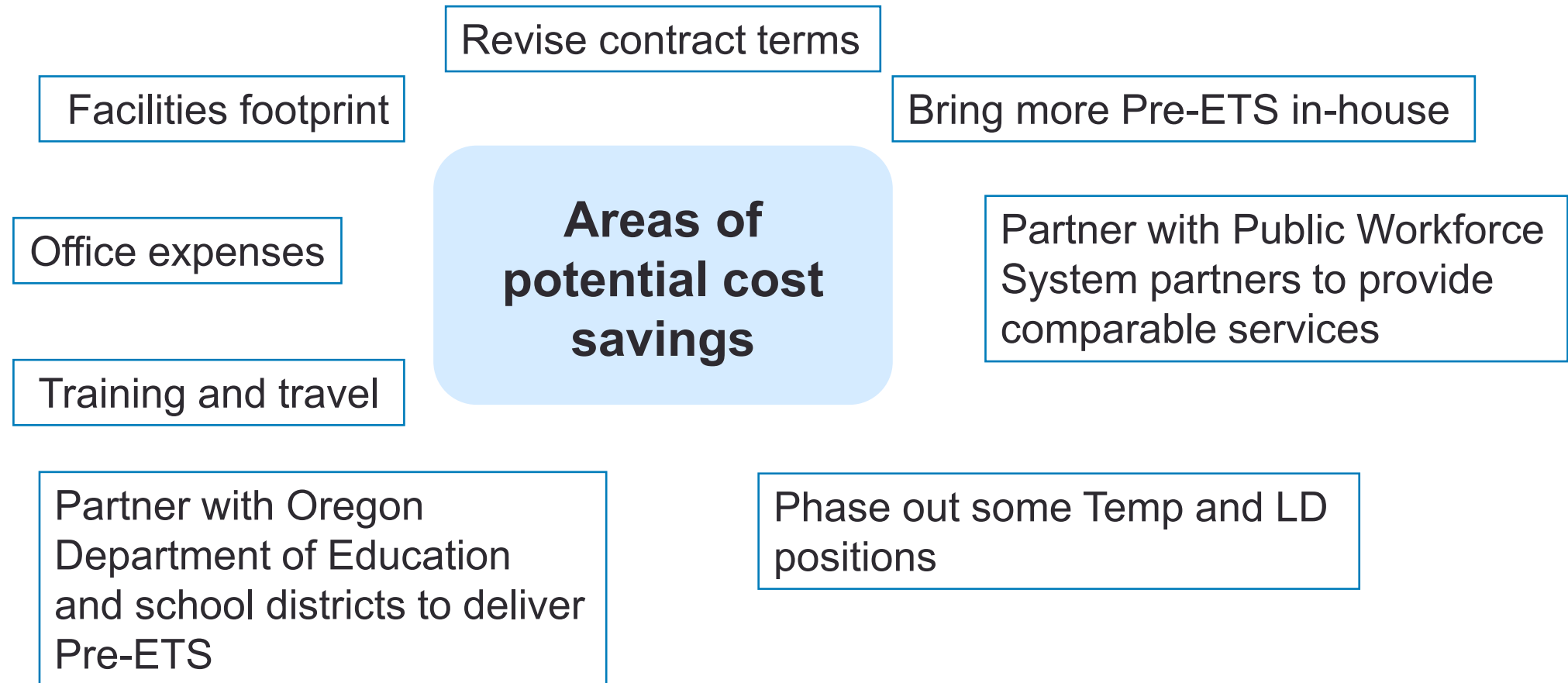
Before the pandemic VR was on course to implement OOS

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

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# Next steps

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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

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- 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.

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**Vocational Rehabilitation**



# Looking ahead: Creating efficiencies

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## 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

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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.



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



## 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

## Data

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

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Oregon Department  
of Human Services

VOCATIONAL REHABILITATION



Questions?

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# Thank you.

