

**STATE REHABILITATION COUNCIL  
JUNE 28, 2019 MINUTES**

**MINUTES – 6/28/2019**

Attendance: Maureen Bates, Howard Lesser, George Messengale, Rene Berthiaume, Art Cabanilla, Jodi Asato, Claudia Madruga, Gregg VanCamp

Via phone: Terry Ann Moses, Mark Travalino

Excused: Michele Ku, Ann Lemke, Deborah Kobayakawa, Diane Terada, Lanelle Yamane, Gwen Keliroomalu, Shirley Sypert

Public: Dayna Hironaka

Howard Lesser – SRC Vice Chair, called meeting to order at 10:17am. At this time there was no quorum and DVR were asked to present the DVR Report.

Maureen Bates – DVR Administrator

Status of Order of Selection – Beginning July 8, DVR is going to open up their deferred list for the first 5 individuals that are most significantly disabled in order of the day they applied. The State Plan that was originally submitted and approved by RSA and SRC, DVR plans to do monthly draw down of 5 MSD individuals for the first quarter in July, August and September. DVR will evaluate their cost allocations associated with the IPE plans and then continue to draw down the number from the deferred list.

As of June 28, 2019, there are 776 individuals on the deferred list:

1) 484 most significant disabled; 2) 277 significantly disabled, and 3) 15 nonsignificant disabled. Out of the 776 individuals, starting in July, the numbers will drop to 771. Although there will probably be applicants that offset the draw down of five.

DVR will be drawing the 5 MSD individuals off the list and passing them out to the branches to activate the IPE process. The process will be reviewed with WINTAC, Technical Assistance Center. Once DVR receives WINTAC's feedback by July 8, DVR will guide the staff to carry out the plan.

With 776 individuals on the wait list, the budget for resolving any of those on the order of selection is \$1.2 million. As we keep moving forward, we'll see if that \$1.2 million is exhausted by September 30. If not, we'll then continue to open the list. The \$1.2 million budget might increase, meaning DVR will be adding to it as they save money with comparable resources, for the active clients.

On the active client list, there are a total of 3,838 active and 636 potentially eligible (PRE-ETS). A total of 4,474 active clients combined VR and PRE-ETS. Additionally, DVR has 187 rehabilitation clients that were served as well as closed cases. In this fiscal year, DVR has effectively served over 5,500 cases. The 5,500 cases is a low end annual whereas 7,000 cases is at the higher end.

Budget Overview – Approximately \$13 million from the federal government. State match, of about \$3 million. On an annual basis, DVR has about \$17 million that is used for VR services. \$1.9 million is reserved called PRE-ETS, 15 % of the federal grant which cannot be used for VR services. DVR has a pattern of contracting to supplement or staff work when there is excess carry forward monies available. However, DVR won't be able to sustain that contracting volume that they have been engaged in after 2020. DVR is beginning to plan and see what staff training do they need to implement a PRE-ETS service directly and retrain their staff.

PRE-ETS strategic plan is to look at what is contracted, which is 5 required services:

1) Job Exploration Counseling, 2) Work-Based Learning Experiences, 3) Post-Secondary Vocational Counseling, 4) Workplace Readiness Training, and 5) Self – Advocacy. Work Based-Learning is the biggest expense where individuals with disabilities will be working up to 30 hours for six weeks in the summer youth employment program earning \$10.10 an hour as a stipend in an employer community integrated employment site.

Maureen reemphasized that DVR is not canceling contracts but rather looking at what is going to be sustainable. They will meet with partners and plan a strategy.

Keola reported that as of June 28, 2019, the 2018 federal funding carryover is \$ 3.5 million. Approximately \$2 million was PRE-ETS monies. The remaining \$1.5 million that is being used for general VR programs. As of last quarter, VR spent down the remainder \$1.5 million for general VR funds that were carried over from 2018. Out of the \$2 million dollars for PRE-ETS, \$700,000 has been spent down, and a remaining \$1.3 million is left. The \$1.3 million will be spent down due to the Summer Employment program along with other services that are happening.

Maureen reported that the SSO office has a contract administrator role that falls in under the position that is currently shared with a temporarily assigned staff. Keola is temporarily assigned on the fiscal part of the position and John Zamorra is temporarily assigned on the contract administration. John Zamorra oversees agency wide contracting services in collaboration with Keola and Motu oversees contracting management. Claudia Madruga is also assigned to manage a contact at the level that she's a supervisor. She and Lea Grupen will be managing the services being rendered over at Ho'opono through quarterly meetings, reviews of the deliverables, scope of services, and if there are complaints they will need to adjust with the vendor.

Maureen continued her report regarding the RSA monitoring. DVR just completed a week long technical assistance with RSA regarding the 2017 penalty. The penalty arose due to unsustainability of the state funding at the level that is required by the federal government.

DVR will not be able to qualify for a waiver because it was not asked in advance. There is a \$1.8 million penalty that will be split over 2 years. The state gave us supplemental funds to cover the 2017 and 2018 obligations of \$1.8 million. DVR overspent our \$17 million by \$1.8 million. On January 24, 2018, the state gave us \$1.8 million to pay off those bills. DVR will not be able to be sustainable when the penalties goes into effect July 1, 2020 (\$800,000) and July 1, 2021 (\$ 1 million). DVR is managing this deficit by making sure that there is enough rollover funds to absorb that shock.

George suggested that 2 -3 SRC members could go visit Senator Schatz's and Senator Hirono's office to explain the waiver situation and let them ask RSA for clarification so that they can grant the waiver. George will make appointments to meet Brian and Mazie's offices to see what can be done.

George also added that the SRC contact Senator Russell Ruderman, Chair of the Senate Human Services Committee as well as Lieutenant Governor Josh Green to get them on board to help liaise with Senator Hirono and Senator Schatz's offices on this issue. Maureen commented on how she appreciates the support and advocacy of the SRC. She also noted that she would like to support the SRC with concrete progress support us with concrete progress so that when the negativity is shown, there is progress that's positive. We can say that we are accountable and moving forward. Howard suggest that we develop a list of talking points so that when we meet with the legislators we can speak to the progress that DVR is making. George agreed that we start working on putting together talking points and schedule a meeting with Russell Ruderman to see exactly how the legislature could help DVR this coming year.

Maureen gave some quick updates on the SRC monitoring that came to an end on June 27<sup>th</sup> at 4:30pm. DVR will wait to receive a report from RSA. DVR will have 21 days to respond and then the corrective action plan will ensue. DVR will have nine months to complete the corrective action. DVR also has an internal corrective action plan in process. Senator Rhoads identified that DVR was continuing to make late bill payments and asked DVR to do a corrective action plan that consists of a monthly report to the Director. Maureen reports directly to the Director. DVR is still incurring interest, but the timeliness is improving. DVR has gotten the bills to be paid not more than 2 months late versus bills being paid a year later. DVR is working to improve that they are in compliance with processing bills within 30 days so that no interest accrues.

11:10am – Recess

11:20am – Gavan from Ho'opono presented the SRC section on the DVR website. In the past, information has been posted about the meetings (date, time, location, Chairperson, Contact Person, & Phone #). The website <https://humanservices.hawaii.gov/vr/main/state-rehabilitation-council-src/> also lists the SRC's purpose and duties and responsibilities. If there's any documents that we would like posted (previous minutes, agendas, reports, etc.) on the website we need to notify Gavan.

11:40am – Mark Travalino calls in; quorum is met.

George motioned to deviate from the printed agenda due to time constraints. Rene seconded; Motion passed unanimously.

Howard moved to approve the January 29 minutes with the correction that the Slate of Officers be added to the minutes; Slate of Officers to include Michele as Chair, Howard as Vice-Chair, and Jodi as Secretary; George seconded; Hearing no objections, passed unanimously.

Slate of Officers:

Michele to serve as Chair, passed unanimously;

Howard, Does anyone want to run for the position of Vice Chair? George – I would like to nominate Rene as the Vice Chair and the reason for that is Howard has been in this position for a long time. Although he represents the agency and has a position on the Council, I don't know if its appropriate for him to serve as the Vice Chair because he represents an agency. Rene- I would decline, but I've already served as Vice Chair and Chair on the Council in the past. Howard, anybody else? I accept. All in favor of Howard signify by saying aye, 6 votes in favor, 1 vote opposed; Motion carried.

Howard nominated Jodi Asato, Jodi accepted; Motion carried unanimously.

Howard recognized those who terms were ending at today's meeting: 1) Mark Travallino, 2) Ann Lemke, Shirley Sybert (resigned) and George Massengale (Howard presented a lei).

George motioned to tentatively schedule next SRC meeting in August 7<sup>th</sup> or August 8<sup>th</sup>; Art seconded; motion passed.

George motioned to tentatively schedule the following SRC meeting in September 19<sup>th</sup> or September 25<sup>th</sup>; Rene seconded; Motion carried unanimously.

12:05pm – Mark ends phone call; Quorum ends.

Meeting is shifted back to Gavan regarding the website. Rene stated that most of the other councils will list the names of council members. Gavan responded that he could list the SRC members name if given the list. Other documents to be added include: Bylaws, Minutes, and Annual Report.

Maureen continued her DVR Report. She reported that DVR is continuing to work with the Statewide Independent Living Center (SILC) and their plan was due July 31. The annual budget for the SILC will remain the same. An accrual of \$200,000 in federal dollars rolled over due to suspension of payments during the IL investigation. The State Plan for Independent Living is posted on their website. Any changes made to the plan, DVR will run it through the Attorney General and DHS Director for approval and sent out to the Administration for Community Living by July 31, 2019.

DVR has put in a request to the union to change the advancement reallocation process. In the past, individuals had to be eligible under the CSPD qualification and reallocation process to be eligible to sit for the CRC exam. DVR sees that it would be a good investment for DVR staff to continue their education and receive evidence-based practices especially those who have been serving with us for 30 years.

Yoko from the Pacific Basin Rehabilitation Research and Training Center came to present on the Consumer Satisfaction Report. Maureen apologized on behalf of DVR that the presentation was not sent to SRC members. Howard asked if Yoko would be able to return in August at the next SRC meeting because there isn't enough attendees to meet quorum.

Meeting adjourned at 1:37pm.