



**OKLAHOMA**  
**Rehabilitation**  
**Services**

# Department of Rehabilitation Services

**FY 2026 Budget Hearing Presentation**

**Submitted by: Kevin Statham CFO**

# Melinda Fruendt

Director



The **Department of Rehabilitation Services (DRS)** provides assistance to Oklahomans with disabilities through vocational rehabilitation, employment, independent living, and residential and outreach education programs. The agency also determines medical eligibility for disability benefits.

Founded in 1993 this agency, now encompasses the following divisions: (74 O.S. § 166.1)

**Division of Vocational Rehabilitation-** In existence as a state program since 1927

**Division of Services for the Blind and Visually Impaired-** In existence as a state program since 1947

**Oklahoma School for the Blind (Parkview School)** - established in 1897

**Oklahoma School for the Deaf** - established in 1897

**Disability Determination Services** - in existence as a state program since 1954

# Agency Vision, Mission and Core Values

**Vision:** We embrace the journey in our belief in service to others so that they can improve their lives.

**Mission:** The Mission of the Department of Rehabilitation Services is to empower Oklahoman's with disabilities.

**Core Values:**

**Relationships:** Trusting relationships are our foundation. We can accomplish infinitely more together than alone.

**Accountability:** We have high expectations of ourselves and others, holding each other accountable regardless of position.

**Principle Centered Leadership:** Leadership is not a position, but a mindset. We believe each person has influence and expect it to be used to foster connection and growth.

**Adaptability:** We see growth as a choice, refusing to stand idle in the face of opportunity.



# Accomplishments

## Top accomplishments for FY 2024 – FY 2025

- 1) DRS assisted 85,947 Oklahomans with disabilities and their families during FY-2024.
- 2) On February 15, 2023, DRS opened Priority Group 1 and on June 17, 2024 Priority Group 2 was opened. The VR and SBVI divisions assisted 12,385 consumers with their rehabilitation plan during FY-2024. This included releasing 3,192 cases off of the Waiting List. The average length of an employment training plan is 36 months.
- 3) DRS strives to maintain 100% graduation rates at Oklahoma School for the Blind and Oklahoma School for the Deaf. Graduation rates for 2024 were 100% for OSB and 100% for OSD.
- 4) The Disability Determination Services Division continues to excel nationally in all standards.
- 5) Developed an on-line referral module to expand opportunities for clients to make application and begin their rehabilitation training.
- 6) Reduced vacancy rates in vocational rehabilitation counseling staff allowing for expanded resources to better serve clients.





# Analysis of Agency Challenges

	Challenge	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
1	The lingering impact of Covid-19 on employment opportunities, training programs and transportation services in rural communities has been significant. Recovering the lost opportunities and services is vital to restoring the economic independence for individuals with disabilities.	DRS is continuing to adjust services and operations to a post pandemic world and captured technology to become more agile when operating remotely. Utilizing teleconferencing software, document imaging and electronic workflow and approvals allow staff and supervisors the ability to meet and meet with clients regardless of locale.	Maintain staff protocols that allow the schools and office locations to address the ongoing threat of COVID-19 to protect students, clients and staff.



# Analysis of Agency Challenges

	Challenge	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
2	Safety at facilities for consumers, students and staff is always a paramount thought. Facilities must be maintained to provide a safe environment and physical accessibility issues are addressed with a high priority. Security investment remains a high priority whether it be IT systems, on-site guard services or physical barriers.	The costs associated with maintaining a secure environment have become a normal business expense. The legislature appropriated Capital Improvement funds to improve the facilities at the Oklahoma School for the Deaf. These projects kicked off in FY-2020 and continued into FY-2024, focusing on items associated with improving safety and security for students and staff.	Continued capital improvements of agency owned facilities to increase safety and security for students, staff, and clients.



# Analysis of Agency Challenges

	Challenge	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
3	Recruitment to state service is a challenge in the more rural sectors of the state. For the program specific job families, DRS must be competitive with private and public social service and educational providers to find qualified credentialed employees.	Recent adjustments to compensation are yielding more applications for posted openings. Remaining agile with salaries and providing some flexibility towards telework arrangements is proving to be an effective recruitment and retention tool.	Continue to adjust services and operations to a post pandemic world by adjusting salaries and work environments to remain efficient and competitive across all job families.



# Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2024 (Actual \$ Savings)	FY 2025 (Projected \$ Savings)	FY 2026 (Projected \$ Savings)
<b>P-Card Savings</b>	DRS takes advantage of the P-Card program to maximize rebate incentives. Realized savings generated by the programs are then available to provide additional services.	Rebate is based on total P-Card purchases for the prior year	\$58,539	\$64,360	\$70,800
<b>SSA Reimbursement</b>	DRS is active in generating available program income from the Social Security Administration.	When the Vocational Rehabilitation program is successful in retraining and developing employment for an SSDI recipient, the SSA reimburses VR a portion of the cost of the rehabilitation.	\$3,221,979	\$3,300,000	\$3,300,000

\* Hours, FTE, square feet, etc.





# Agency Goals and Key Performance Metrics

Goal		Metric	FY 24 Target	FY 24 Actuals	FY 25 Target	FY 29 Target
1	VR/SBVI - Client Services Provided	Clear at least 50% of Priority Group 3 waiting list monthly	Yes	Yes	Yes	Yes
2	OSB – Graduation Rate	Maintain graduation rate at 90% or higher each year for students with disabilities	100%	100%	100%	100%
3	OSD – Graduation Rate	Maintain graduation rate at 90% or higher each year for students with disabilities	100%	100%	100%	100%
4	DDS – Decision Accuracy Rate	Maintain decision accuracy rate each year greater than the national accuracy rate  <div>             Oklahoma Rate              National Rate           </div> *FFY24 estimated as of 8/16/24 (final % not yet available)	97.0% 95.0%	95.6% 97.7%	97.0% 95.0%	97.0% 95.0%



# Projects for FY 2025

- 1) DRS continues to work with the Oklahoma Office of Workforce Development to implement the American Job Center requirements of WIOA. This section of WIOA enables the six core programs to be collocated in a manner that provides easier access to consumers. The programs are Adult, Dislocated Workers and Youth Programs and the Wagner-Peyser Act Employment Service Program administered by the U.S. Department of Labor, the Adult Education and Family Literacy Program and the Vocational Rehabilitation Program administered by the U.S. Department of Education.
- 2) DRS Vocational Rehabilitation program that encompasses Vocational Rehabilitation Division and Services to the Blind and Visually Impaired Divisions continue to implement new program common performance measures as put forth by the WIOA legislation. The measures are designed to better reflect the Vocational Rehabilitation program's performance across a spectrum of programs in a common and equal manner.
- 3) DRS continues to partner with State Agencies, Advocate Organizations, Local Workforce Boards and a broad array of Business and Corporations that serve and employ DRS consumers. DRS works with partners to find best practices and gaps in services to improve the lives of individuals with disabilities by changing the way staff, partners and employers think about accessibility for consumers who have disabilities. Barriers, whether physical, technological or cultural must be removed. Access for All is an initiative, in partnership with ABLE TECH that is designed to address 508 compliance in software. These barriers continue to emerge and prevent individuals with disabilities from participating in their communities, education, employment and independence. This includes an online portal for VR and SBVI applications for services.
- 4) The legislature appropriated Capital Improvement funds to improve the facilities at the Oklahoma School for the Deaf. These projects have kicked off in FY-2020 and continued into FY-2023, focusing on items associated with improving safety and security for students and staff.



# Projects for FY 2026

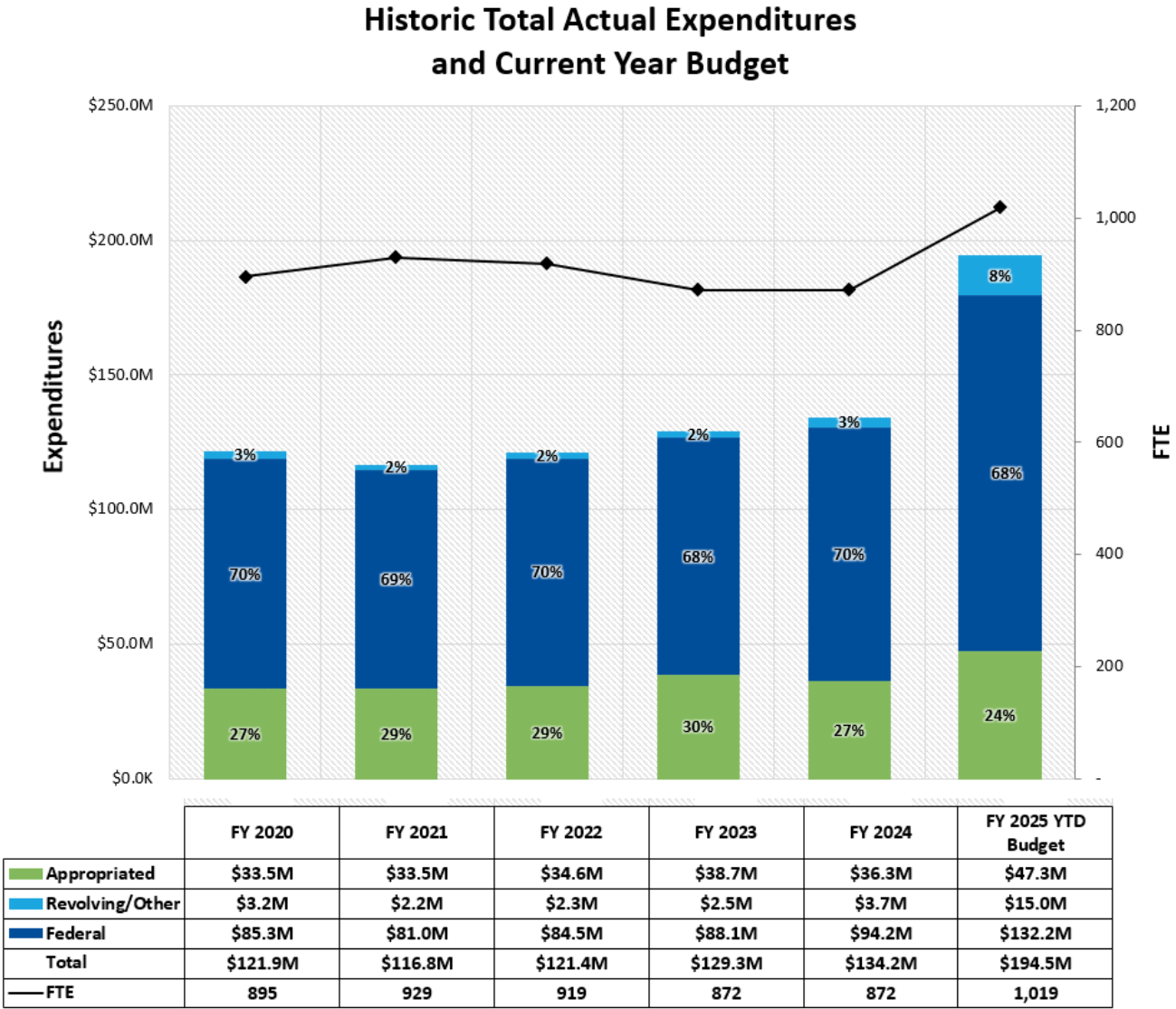
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# Total Historic Actual Expenditures (FY 2020-24) and Current Year Budget (FY 2025)

## Explanation of Changes and Trends

FY25 Budget includes budgeted vacancies across all divisions, as well as indirect cost budgeted in all divisions. FY 2024 supplemental appropriation of \$3.1 mil received 6/17/24 is budgeted in FY 2025.





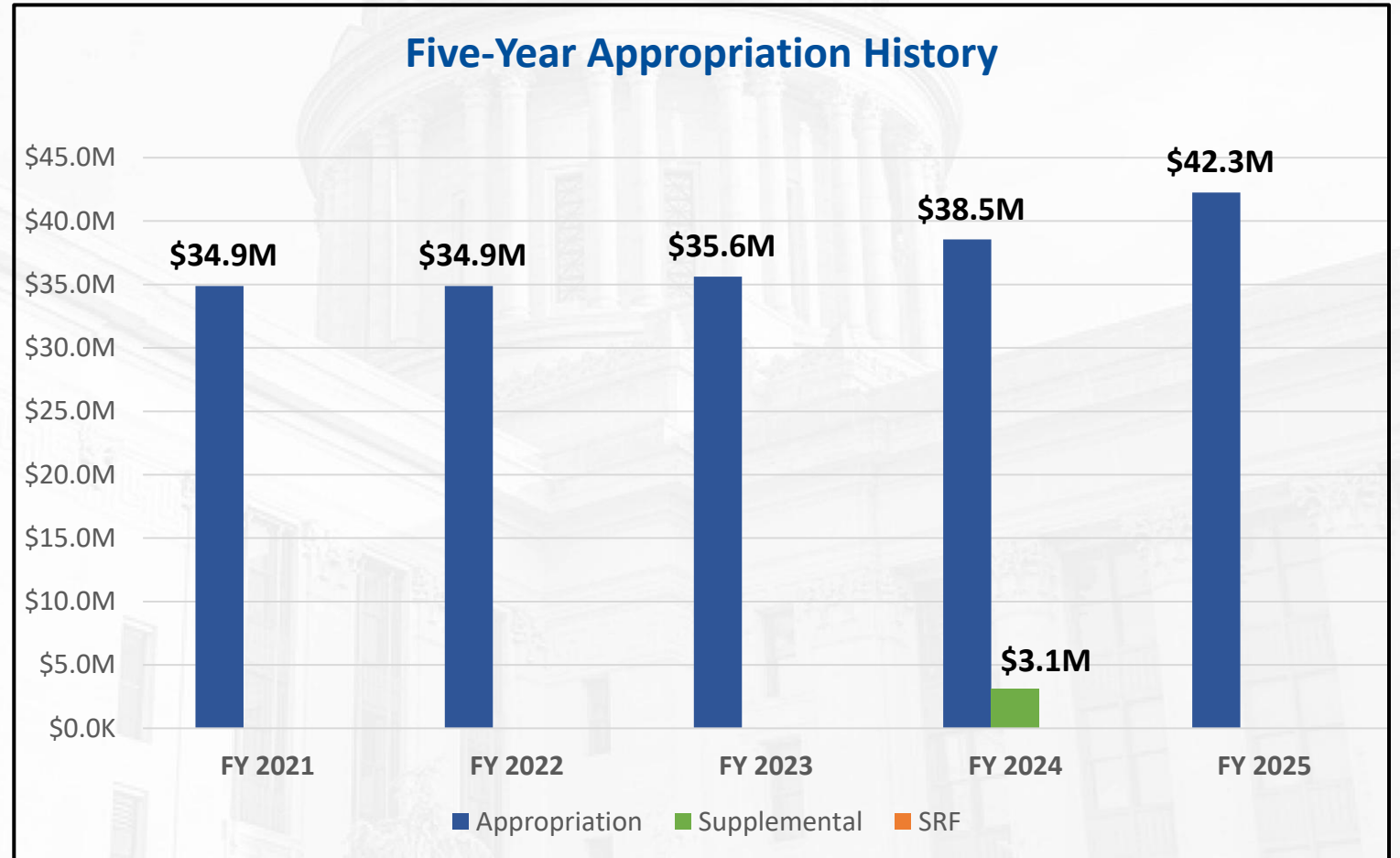
# FY 2025 Budgeted Full Time Equivalents (FTE)



	FY 2025 Budgeted FTE
Total FTE	1019.2
Supervisor FTE	166.6
Supervisors to Total FTE Ratio (%)	16%
Current Budgeted but Unfilled FTE	123.7

# Appropriation History

Fiscal Year	Legislated Appropriation (\$) <i>(Includes supplementals and SRF/ARPA.)</i>
FY 2021	\$34,875,002
FY 2022	\$34,875,002
FY 2023	\$35,623,295
FY 2024	\$41,642,951
FY 2025	\$42,252,951



*\*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.*



# Financial Resource Analysis

Carryover	FY 2021	FY 2022	FY 2023	FY 2024
Total appropriated carryover amount expended (\$)	\$482,344	\$1,061,625	\$1,832,365	\$1,591,865

Historical Cash Balances	FY 2021	FY 2022	FY 2023	FY 2024
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$21,333,278	\$22,002,564	\$18,159,336	\$25,466,926

Revolving Class Fund # <i>(Unrestricted only)</i>	Revolving Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)	Projected FY 2025 year-end cash balance (\$)
34000	DRS Medical & Assistance Fund	\$20,000	\$20,000
35300	Rehab Services Disbursing Fund (FY23)	\$2,560,823	\$0
35400	Rehab Services Disbursing Fund (FY24)	\$2,961,109	\$2,176,109
35500	Rehab Services Disbursing Fund (FY24)	\$2,186,261	\$3,344,618
	Current cash balances as of 08/30/24		
	<b>Total Unrestricted Revolving Fund Cash balance:</b>	<b>\$7,728,193</b>	<b>\$5,540,727</b>



*Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.*

# FY 2023 – 2024 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2023</i>	<i>Amount FY 2024</i>	<i>Total amount received FY 2023 - 24</i>	<i>Total amount expended by 11/1/2024</i>	<i>Included in FY 2025 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
VR/SBVI Maintenance of Effort (MOE)	\$650,000	\$	\$650,000	\$650,000	Yes	
OSD Capital	\$98,293	\$	\$98,293	\$98,293	Yes	
Teacher Raise	\$	\$441,656	\$441,656	\$441,656	Yes	
Annual Maintenance Request OSB	\$	\$678,000	\$678,000	\$678,000	Yes	
Annual Maintenance Request OSD	\$	\$1,800,000	\$1,800,000	\$1,336,167	Yes	\$464k OSD to be expended in SFY25
SFY-24 Supplemental Appropriation for VR/SBVI Match	\$	\$3,100,000	\$3,100,000	\$3,100,000	No	
<b>Totals</b>	<b>\$748,293</b>	<b>\$6,019,656</b>	<b>\$6,767,949</b>	<b>\$6,304,116</b>		



*\*Do not include SRF / ARPA appropriation increases.*



# FY 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2026 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
Annual Maintenance Request OSB	\$265,000	Yes	Yes	
Annual Maintenance Request OSD	\$345,000	Yes	Yes	
SFY-25 Appropriation for VR/SBVI Match	\$3,100,000	Yes	Yes	
<b>Total adjustment</b>	<b>\$3,710,000</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# Budget & Supplemental Incremental Request Summary

Request Name		FY 2026 Incremental Appropriation Request Amount (\$) <i>{or FY 2025 for Supplementals}</i>	Type of Request: Recurring, One-time, or Supplemental
1	DVR/DSBVI - Maintain Necessary State Match and Maintenance of Effort Funding	\$1,400,000	Recurring
2	OSB - Annual Maintenance Request	\$309,000	Recurring
3	OSD - Annual Maintenance Request	\$403,000	Recurring
4	OLBPH - Purchase Equipment and Textbooks for the AIM Center	\$150,000	Recurring



# (1) Incremental Budget Request

DVR/DSBVI – Maintain Necessary State Match and Maintenance of Effort Funding	
Type: Recurring	\$1,400,000
<p>Increased funding maximizes services to Oklahomans with disabilities, enhancing their opportunity to become self-sufficient through employment and becoming independent in their homes and communities. This means more Oklahomans can terminate their dependence on state and federal programs and move towards becoming taxpayers. The ratio of funding available is \$4 federal dollars to every \$1 dollar of state matching funds. Funding this request will allow DRS to fully match all the federal funds available to the State of Oklahoma and keeps DRS in a position to put Oklahomans with disabilities to work each year. The Legislature has worked to restore funding for Oklahoma to meet the match of federal funds allocated to the State. The Vocational Rehabilitation Grant is a formula grant and is subject to annual economic growth. The SFY-2026 appropriation increase requested is \$1,400,000 to meet the match requirements. Oklahoma will avoid a Maintenance of Effort penalty for FY-25 as spending levels will be above the FY-23 determining threshold. The requested match increase will allow DRS to fund all obligations associated with the Vocational Rehabilitation Federal Grants awarded to the State of Oklahoma. Not providing this funding will cause the State of Oklahoma to forfeit federal funds and severely reduce the services available to disabled Oklahomans that want to return to work.</p>	



## (2) Incremental Budget Request

OSB - Annual Maintenance Request	
Type: Recurring	\$309,000
<p>The Oklahoma School for the Blind in Muskogee provides effective education options for children with all levels of blindness or visual impairments. OSB is 100% state appropriated. They do not receive funding from local ad valorem taxes or the State Department of Education funding formula. The school received the teacher pay raise that was offered during SFY-2024. The schools also received the requested CPI adjustment for SFY-2024 and SFY-2025. CPI maintenance funding allows for operating budgets to keep up with fiscal requirements of providing a safe and healthy learning environment. The CPI request allows for incremental economic adjustments to the school's funding that would not otherwise be available. As a residential facility, OSB has the same budgetary challenges as all the other local school districts in regard to the rising cost of food, fuel and utilities, but with the additional challenge of operating a residential facility. The Oklahoma Constitution mandates that the State provide for and support the School for the Blind. A maintenance appropriation adjustment based on this most recent increase of 3.4% would result in an increase of \$309,000 dollar budget request for the School for the Blind.</p>	





# (3) Incremental Budget Request

OSD - Annual Maintenance Request	
Type: Recurring	\$403,000
<p>The Oklahoma School for the Deaf in Sulphur provides effective education options for children with all levels of deaf or hard of hearing impairments. OSD is 100% state appropriated. They do not receive funding from local ad valorem taxes or the State Department of Education funding formula. The school received the teacher pay raise that was offered during SFY-2024. The schools also received the requested CPI adjustment for SFY-2024 and SFY-2025. CPI maintenance funding allows for operating budgets to keep up with fiscal requirements of providing a safe and healthy learning environment. The CPI request allows for incremental economic adjustments to the school's funding that would not otherwise be available. As a residential facility, OSD has the same budgetary challenges as all the other local school districts in regard to the rising cost of food, fuel and utilities, but with the additional challenge of operating a residential facility. The Oklahoma Constitution mandates that the State provide for and support the School for the Deaf. A maintenance appropriation adjustment based on this most recent increase of 3.4% would result in an increase of \$403,000 dollar budget request for the School for the Deaf.</p>	



## (4) Incremental Budget Request

OLBPH - Purchase Equipment and Textbooks for the AIM Center	
Type: Recurring	\$150,000
<p>The Accessible Instructional Materials (AIM) Center, as part of the Oklahoma Library for the Blind and Physically Handicapped, serves children in Pre-K through 12th grade who attend public and private schools in Oklahoma, as well as children in early childhood from birth to 3 years. Braille and large print textbooks, instructional materials and specialized educational aids are provided to children who are blind or visually impaired, have a physical disability or a medically diagnosed learning disability that makes it difficult to use regular print. OLBPH is an Ex Officio Trustee of the Federal Quota Program which is administered overall through the American Printing House for the Blind, distributing textbooks and aids to eligible students in Oklahoma based on available federal quota funds. However, not all students qualify, and of those who do, Federal Quota funds cannot provide adequate resources. The AIM Center's SFY-2024 budget included \$150,000 appropriations and \$50,000 reimbursement from the State Department of Education; however, reimbursement from SDE was discontinued for SFY-2025. The AIM Center needs additional funding of \$150,000 to cover increased costs of accessible educational materials and technology and to provide continued service meeting the needs of Oklahoma's children and students across all the school districts of Oklahoma.</p>	

