

AGENCY NAME:	Vocational Rehabilitation Department		
AGENCY CODE:	H73	SECTION:	32



Fiscal Year 2017-18 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS (FORM B DECISION PACKAGES)	<p>My agency is submitting the following recurring decision packages listed in <u>priority order</u> (Form B):</p> <p>9640, 9653, 9654 Form B <i>10356</i></p> <p>9682 Form E</p> <p>For FY 2017-18, my agency is (mark "X"):</p> <p><input type="checkbox"/> Requesting a net increase in recurring General Fund appropriations.</p> <p><input checked="" type="checkbox"/> Not requesting a net increase in recurring General Fund Appropriations.</p>
CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES)	<p>My agency is submitting the following one-time decision packages listed in <u>priority order</u> (Form C):</p> <p> </p> <p>For FY 2017-18, my agency is (mark "X"):</p> <p><input type="checkbox"/> Requesting capital and/or non-recurring funds.</p> <p><input checked="" type="checkbox"/> Not requesting capital and/or non-recurring funds.</p>
PROVISOS (FORM D)	<p>For FY 2017-18, my agency is (mark "X"):</p> <p><input checked="" type="checkbox"/> Requesting a new proviso and/or substantive changes to existing provisos.</p> <p><input type="checkbox"/> Only requesting technical proviso changes (such as date references).</p> <p><input type="checkbox"/> Not requesting any proviso changes.</p>

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Richard G. Elam	803-896-6507	relam@sc_vrd.state.sc.us
SECONDARY CONTACT:	Vicki C. Bowles	803-896-6517	vbowles@scvrd.state.sc.us

I have reviewed and approved the enclosed FY 2017-18 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	Dennis N. Getsinger	Roxzanne B. Breland, D.C.

This form must be signed by the department head – not a delegate.

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	9640 <i>Provide the decision package number issued by the PBF system ("Governor's Request").</i>
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TITLE	Allocation of 2016-2017 Pay Plan Allocation – State Funds <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	\$ 466,564 <i>What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.</i>
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ENABLING AUTHORITY	2016-2017 Appropriations Act <i>What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	Agency employees would receive these funds based on existing position funding allocations. <i>What individuals or entities would receive these funds (contractors, vendors, grantees,</i>
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individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

ACCOUNTABILITY OF FUNDS	All agency objectives are supported and advanced by this request through staff delivery of services and accomplishment of objectives.
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	Not Applicable
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	State funds are matched by federal funds at a ratio of 21.3% state funds to 78.7% federal funds. We are projecting \$1,723,877 in federal funds and \$175,000 in other funds.
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	Not Applicable
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	Allocation of 2016-2017 statewide pay plan and employee benefits
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	State, Federal and Other funds share of 2016-2017 Pay Plan Allocations.
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	Yes, there will be a maintenance-of-effort requirement to the state.
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	Not Applicable
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	Not Applicable
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	Outcome measures specific to each program
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	10355
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Allocation of 2016-2017 Pay Plan Allocation – Federal and Other Funds
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Provide a brief, descriptive title for this request.

AMOUNT	\$ 1,898,877
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	2016-2017 Appropriations Act
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	Agency employees would receive these funds based on existing position funding allocations.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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ACCOUNTABILITY OF FUNDS	<p>All agency objectives are supported and advanced by this request through staff delivery of services and accomplishment of objectives.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	<p>Not Applicable</p>
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	<p>State funds are matched by federal funds at a ratio of 21.3% state funds to 78.7% federal funds. We are projecting \$1,723,877 in federal funds and \$175,000 in other funds.</p>
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	<p>Not Applicable</p>
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	Allocation of 2016-2017 statewide pay plan and employee benefits
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	State, Federal and Other funds share of 2016-2017 Pay Plan Allocations.
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	Yes, there will be a maintenance-of-effort requirement to the state.
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	Not Applicable
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	Not Applicable
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	Outcome measures specific to each program
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	9653
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Increase in Administrative Costs related to Statewide Cost Allocation Plan
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Provide a brief, descriptive title for this request.

AMOUNT	\$2,000,000 federal funds only
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	Section 2-65-70 SC Code
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	State of South Carolina based on annual Statewide Cost Allocation Plan
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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ACCOUNTABILITY OF FUNDS	<p>All agency objectives are supported and advanced by this request through staff delivery of services and accomplishment of objectives.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	<p>Not Applicable</p>
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	<p>This request is for federal funds only</p>
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	<p>Not Applicable</p>
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	<p>Statewide Administrative Costs allocated to the agency have increased dramatically over the past six years. Costs for fiscal year 2010-2011 were \$643,973, increasing to \$2,602,630 for fiscal year 2016-2017. Over the years, we have not requested corresponding increases in Administration budget authority.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>Amount is based on increases not budgeted for Statewide Cost Allocation Plan since 2010-2011.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>No maintenance-of-effort impact</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	Not applicable
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	Not applicable
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	Outcome measures specific to each program supported by Administration.
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

AGENCY NAME:	Vocational Rehabilitation Department		
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FORM D – PROVISO REVISION REQUEST

NUMBER	32.1
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Cite the proviso according to the renumbered list for FY 2017-18 (or mark "NEW").

TITLE	VR: Production Contracts Revenue
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Provide the title from the FY 2016-17 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	
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Is this request associated with a decision package you have submitted for FY 2017-18? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY	<p>The department operates a network of 25 training centers which provide job readiness training for people with disabilities throughout the state. The department partners with local businesses and industries to bring outsource work into the centers, where clients are exposed to a real work setting, and learn job skills and work habits vital to successful employment. VR staff evaluate the clients' strengths and needs, help them address those needs, and prepare them for the demands of the local labor market, resulting in successful employment outcomes. These "other funds" provided by business and industry partially offset the cost of center services and are used entirely for the operations and maintenance of the centers, including stipends paid to clients for performing outsource work, salaries of production personnel directly involved in center operations, and for building equipment, maintenance and repairs. The proviso directs this income to be used for the operation of the training centers and is in alignment with federal VR directives on expenditures of program income.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

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EXPLANATION	<p>The proviso was created many years ago and its requirements have been considered standard practice, as they are critical in maintaining successful operation of the 25 work training centers and in preparing the agency's clients for achievement of career objectives. The agency requests codification.</p>
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Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	<p>This action would have no fiscal impact beyond its current impact, as it would result in the continuation of the current use of the center's revenues, which last year totaled \$18,116,420.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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CODIFY:

(VR: Production Contracts Revenue) All revenues derived from production contracts earned by people with disabilities receiving job readiness training at the agency's Work Training Centers may be retained by the State Agency of Vocational Rehabilitation and used in the facilities for Client Wages and any other production costs; and further, any excess funds derived from these production contracts may be used for other operating expenses and/or permanent improvements of these facilities.

**PROPOSED
PROVISO TEXT**

Paste FY 2016-17 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	32.2
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Cite the proviso according to the renumbered list for FY 2017-18 (or mark "NEW").

TITLE	VR: Reallotment Funds
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Provide the title from the FY 2016-17 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	
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Is this request associated with a decision package you have submitted for FY 2017-18? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY	<p>This longstanding proviso has enabled the agency to access additional federal vocational rehabilitation funds, beyond original allotments to the state, that are sometimes made available when other states are not able to utilize all the funds that they are allotted.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

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EXPLANATION	<p>The public vocational rehabilitation program is principally funded with federal funds distributed to the states on a formula basis. When states are not able to utilize all the vocational rehabilitation grant funds that they are allotted, these funds are then re-distributed to states that can accept and utilize them and can provide the necessary matching funds. The proviso recognizes that this funding method is beneficial to the state but may require further budget approvals since the timing and amount of these funds are unpredictable. SCVRD has utilized it to access reallocated funds in certain years, enhancing service provision for citizens with disabilities. The agency seeks codification to maintain this flexibility on a permanent basis.</p>
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Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	<p>There is positive fiscal impact which varies depending on the amount of funds available through reallocation.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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CODIFY:

(VR: Reallotment Funds) To maximize utilization of federal funding and prevent the loss of such funding to other states in the Basic Service Program, the State Agency of Vocational Rehabilitation be allowed to budget reallotment and other funds received in excess of original projections in following State fiscal years.

**PROPOSED
PROVISO TEXT**

Paste FY 2016-17 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Vocational Rehabilitation Department		
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FORM D – PROVISO REVISION REQUEST

NUMBER	32.4
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Cite the proviso according to the renumbered list for FY 2017-18 (or mark "NEW").

TITLE	VR: Meal Ticket Revenue
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Provide the title from the FY 2016-17 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	
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Is this request associated with a decision package you have submitted for FY 2017-18? If so, cite it here.

REQUESTED ACTION	Codify
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY	<p>The agency operates three residential programs (in Greenville, Florence and West Columbia) where clients are provided meals. However, some staff members at those facilities are allowed to eat certain meals and are charged for agency cost. The agency encourages this practice as an effort to have sufficient levels of staff available for oversight given the residential nature of the facilities. The revenues go directly back into the food service operations, which is in alignment with federal VR directives on expenditures of program income.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

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EXPLANATION	<p>This proviso has been in effect for many years and has succeeded in its intent to enhance oversight of residential programs. The agency wishes to make its provisions permanent.</p>
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Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	<p>This minimal amount of revenue covers the costs associated with the provision of the meals. Last year the agency received \$11,558 in this area.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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CODIFY:

(VR: Meal Ticket Revenue) All revenues generated from sale of meal tickets may be retained by the agency and expended for supplies to operate the agency's food service programs or cafeteria.

**PROPOSED
PROVISO TEXT**

Paste FY 2016-17 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM E – 3% GENERAL FUND REDUCTION

DECISION PACKAGE	9682
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Agency General Fund Reduction Analysis
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Provide a brief, descriptive title for this request.

AMOUNT	-\$475,584
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What is the General Fund reduction amount (minimum based on the FY 2016-17 recurring appropriations)? This amount should correspond to the decision package's total in PBF.

METHOD OF CALCULATION	3% of \$15,852,800 revised base General Funds appropriation for 2016-2017
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Describe the method of calculation for determining the reduction in General Funds.

ASSOCIATED FTE REDUCTIONS	None
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	The Basic Service program's purchased client services are supported by \$426,584 of the General Funds identified. Of the remainder, \$29,000 supported the Independent Living Program being transferred to SCDHHS; and \$20,000 supported the Youth Employment Services demonstration grant that has been discontinued.
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What programs or activities are supported by the General Funds identified?

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SUMMARY	<p>A reduction in the Basic Service Program purchased client services would have an impact on objectives within the School-to-work Transition Services strategy. These funds would not be available to serve additional clients in areas of postsecondary tuition, skilled work apprenticeships, and other on-the-job training opportunities.</p> <p>However, we believe this would be less disruptive in continuation of service delivery to students with disabilities than a reduction in full-time professional staff serving that population.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations.