

Louisiana Returns \$18 million of Federal Funds: Employment Services for People with Disabilities Restricted

Since 2009 Louisiana has given up over \$89 million in federal Vocational Rehabilitation (VR) funding that could have been used to prepare individuals with disabilities for employment and help them find jobs. Instead of providing the matching state dollars necessary to draw down Louisiana's full VR allotment (or grant), the state has relinquished between 33 to 42 percent of these federal funds in each of the past four years – over \$18.4 million for FY12 alone.

As a result, there are **2,821 individuals on a waiting list for VR services** as of August 9, 2012.¹ Due to inadequate funding, Louisiana Rehabilitation Services (LRS) vocational rehabilitation services are limited to those persons with the most significant disabilities. Without these work evaluation and job readiness services, assistive technology, and job counseling services, thousands of Louisiana citizens with disabilities lack the supports necessary to become employed, productive, tax-paying citizens and reduce or eliminate their need for public assistance.

For every dollar the state invests in VR services, there is an estimated nine dollar return to Louisiana in the form of increased taxes and reduced public assistance!² After completion of the vocational rehabilitation program, individuals':

- Annual earnings increased by an average of \$19,347;
- Annual tax contributions increased an average of \$899; and
- Average annual amount of public assistance reduced by \$224.

Louisiana's loss is another state's gain

When a state fails to use all of the federal grant dollars available to it these remaining funds are redistributed to other states that provide the necessary matching funds. For example, Arkansas drew down their entire federal grant award of \$38.9 million and received an additional \$9.9 million!³

Louisiana's federal funds are going unused due to a lack of state matching funds. The amount of state match available is mostly determined as an appropriation in the state budget. For every dollar the state commits to the VR Program from the state general fund, the federal government matches \$3.69, nearly a 4 to 1 ratio. However, if a state does not put up enough state match, those federal dollars are lost.

Louisiana citizens with disabilities are missing out on opportunities to realize their full employment potential and shift their need for dependency on the state. By failing to adequately fund the VR program, the state is missing out on future savings generated through increased taxes and reduced public assistance. It is time to invest in Louisiana's people and stop sending funding designated for them to other states.

¹ LRS, AWARE Report

² Cost Benefit Analysis of the Louisiana Rehabilitation Services Vocational Rehabilitation Program: Federal Fiscal Years 2001-2004, P.G. Wilson & L.C. DeMers, Louisiana State University Health Sciences Center - Human Development Center, January 2005.

³ Rehabilitation Services Administration, Reallotment Report

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