

State of California

DEPARTMENT OF REHABILITATION

2025

May Revision

PREPARED BY
Department of Rehabilitation
Administrative Services Division
Budgets, Fiscal Forecasting & Research Section



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FUTURE ISSUES AND ASSUMPTIONS

SFY 2025-26 Future Issues

Conforming Actions

- None

SFY 2025-26 Assumptions

New Assumptions

- Department of Rehabilitation (DOR) caseloads are stabilizing. Although demand for Vocational Rehabilitation (VR) services has slightly increased, as evidenced by the Department's continued growth in Total Served, existing personnel resources are sufficient to provide statutorily required services. Current caseload levels allow staff to meet the statutorily required services for consumers.

History of Discontinued Assumptions

- None

VOCATIONAL REHABILITATION PROGRAM OVERVIEW

Description

The Vocational Rehabilitation (VR) Program is administered through multiple Vocational Rehabilitation Service Delivery teams comprised of qualified rehabilitation professionals, business specialists, service coordinators, and support staff who assist individuals with disabilities in preparing for, entering into, retaining, and advancing in competitive employment in integrated work settings and to live independently in their communities.

The VR Program is funded at 78.7 percent by a grant awarded under Title IV, Section 411 of the federal Workforce Innovation and Opportunity Act (WIOA). The General Fund or other matching funds comprise the other 21.3 percent. VR services were provided to over 154,000 VR consumers and Potentially Eligible (PE) participants in fiscal year 2023-24.

The VR Program is not an entitlement program. When DOR does not have sufficient resources to serve all eligible individuals, the federal government requires DOR to implement an Order of Selection (OOS) process, under which the department must serve eligible individuals with the most significant disabilities (Priority Category One) first, followed by eligible individuals with significant disabilities (Priority Category Two), and then all other eligible individuals with disabilities (Priority Category Three). PE participants are not impacted by the OOS. Since first implementing the OOS process in September 1995, DOR has twice ceased delivery of services to new eligible applicants for extended periods of time due to lack of sufficient funds. Since November 2020, DOR has provided the full range of VR services to all eligible individuals, and no individuals have been assigned to priority category waiting lists.

DOR projects that the current level of staffing and proposed funding for 2025-26 is adequate to serve individuals in all three priority categories.

VR Program Implementation Date

- The Vocational Rehabilitation program was established on October 1, 1963, in accordance with Chapter 1747, Statutes of 1963.

Authorizing Statutes

- Federal authorizing statute - Subtitle B of Title IV of WIOA (Public Law 113-128) dated July 22, 2014.
- State authorizing statute - Welfare and Institutions Code, Division 10, commencing with Section 19000 - 19856.

Funding

- This program is funded with federal funds, General Fund, and other matching funds.

2025 MAY REVISION ESTIMATES

Summary

DOR's 2025-26 Case Services budget remains the same as the Governor's Budget at \$250 million. For 2025-26, Total Cases Served is projected at 156,400 (+65); Open Cases at 123,010 (+4,485); New Plans at 30,600 (+2,150); and Successful Closures at 9,685 (+535). While current staff can handle the existing caseload levels, there would not be capacity to take on significant increases in caseload, potentially requiring the implementation of an Order of Selection. As DOR focuses on a person-centered approach in providing services, appropriate caseload levels enable staff to meet the needs of consumers in a comprehensive manner, allowing them to receive the full array of essential and vital services that will ultimately result in higher wages and sustainable employment.

Methodology

Caseloads are projected by reviewing historical VR consumer and PE participant data and applying trend analyses to determine future caseload.

2025 May Revision Tables

Expenditure Tables

(Dollars in Thousands)

TABLE 1. 2024-25 Budget Act to May Revision

CASE SERVICES BUDGET	Budget Act (BA)	Governor's Budget (GB)	CHANGE BA to GB	May Revision Estimate (MR)	CHANGE GB to MR
Base Programs	\$195,132	\$195,132	\$0	\$195,132	\$0
Federal Fund	161,904	161,904	-	161,904	-
General Fund	33,228	33,228	-	33,228	-
Reimbursement	-	-	-	-	-
Cooperative Contracts	\$54,500	\$54,500	\$0	\$54,500	\$0
Federal Fund	47,455	47,455	-	47,455	-
General Fund	-	-	-	-	-
Reimbursement	7,045	7,045	-	7,045	-
Certified Time*	[20,725]	[20,725]	-	[20,725]	-
Total, All Programs	\$249,632	\$249,632	\$0	\$249,632	\$0
Total Funding					
Federal Fund	209,359	209,359	-	209,359	-
General Fund	33,228	33,228	-	33,228	-
Reimbursement	7,045	7,045	-	7,045	-
Certified Time*	[20,725]	[20,725]	-	[20,725]	-
Total, All Funds	\$249,632	\$249,632	\$0	\$249,632	\$0

* Certified Time match is the dollar value of personal services and operating expenses generated by Cooperative Contracts and is used as a match for the federal grant. Certified Time values, shown here in [brackets], are not included in budget totals and are provided for informational purposes only.

TABLE 2. 2025-26 Governor's Budget to May Revision

CASE SERVICES BUDGET	Governor's Budget (GB)	May Revision Estimate (MR)	CHANGE GB to MR
Base Programs	\$195,910	\$195,910	\$0
Federal Fund	161,904	161,904	-
General Fund	34,006	34,006	-
Reimbursement	-	-	-
Cooperative Contracts	\$54,500	\$54,500	\$0
Federal Fund	47,455	47,455	-
General Fund	-	-	-
Reimbursement	7,045	7,045	-
Certified Time*	[20,725]	[20,725]	-
Total, All Programs	\$250,410	\$250,410	\$0
Total Funding			
Federal Fund	209,359	209,359	-
General Fund	34,006	34,006	-
Reimbursement	7,045	7,045	-
Certified Time*	[20,725]	[20,725]	-
Total, All Funds	\$250,410	\$250,410	\$0

* Certified Time match is the dollar value of personal services and operating expenses generated by Cooperative Contracts and is used as a match for the federal grant. Certified Time values, shown here in [brackets], are not included in budget totals and are provided for informational purposes only.

TABLE 3. Comparison of 2024-25 to 2025-26 Budget at 2025 May Revision

CASE SERVICES BUDGET	2024-25	2025-26	CHANGE
Base Programs	\$195,132	\$195,910	\$778
Federal Fund	161,904	161,904	-
General Fund	33,228	34,006	778
Reimbursement	-	-	-
Cooperative Contracts	\$54,500	\$54,500	\$0
Federal Fund	47,455	47,455	-
General Fund	-	-	-
Reimbursement	7,045	7,045	-
Certified Time*	[20,725]	[20,725]	-
Total, All Programs	\$249,632	\$250,410	\$778
Total Funding			
Federal Fund	209,359	209,359	-
General Fund	33,228	34,006	778
Reimbursement	7,045	7,045	-
Certified Time*	[20,725]	[20,725]	-
Total, All Funds	\$249,632	\$250,410	\$778

* Certified Time match is the dollar value of personal services and operating expenses generated by Cooperative Contracts and is used as a match for the federal grant. Certified Time values, shown here in [brackets], are not included in budget totals and are provided for informational purposes only.

Caseload Tables

TABLE 4. 2024-25 Caseloads from Governor's Budget to May Revision

	Gov. Budget	Gov. Budget	Gov. Budget	Gov. Budget	May Revision	May Revision	May Revision	May Revision	CHANGE GB to MR	CHANGE GB to MR	CHANGE GB to MR	CHANGE GB to MR
CASELOAD	Total Cases Served	Open Cases	New Plans	Successful Closures	Total Cases Served	Open Cases	New Plans	Successful Closures	Total Cases Served	Open Cases	New Plans	Successful Closures
Base Programs	119,551	91,282	24,512	7,423	119,551	91,282	24,512	7,423	-	-	-	-
VR Consumer	84,430	62,913	24,512	7,423	84,430	62,913	24,512	7,423	-	-	-	-
PE Participant	35,121	28,369	-	-	35,121	28,369	-	-	-	-	-	-
Cooperative Contracts	36,784	27,243	3,938	1,727	36,784	27,243	3,938	1,727	-	-	-	-
VR Consumer	10,705	6,887	3,938	1,727	10,705	6,887	3,938	1,727	-	-	-	-
PE Participant	26,079	20,356	-	-	26,079	20,356	-	-	-	-	-	-
Total, All Programs	156,335	118,525	28,450	9,150	156,335	118,525	28,450	9,150	-	-	-	-
Caseload by Case Type												
VR Consumer	95,135	69,800	28,450	9,150	95,135	69,800	28,450	9,150	-	-	-	-
PE Participant	61,200	48,725	-	-	61,200	48,725	-	-	-	-	-	-
Total, All Case Types	156,335	118,525	28,450	9,150	156,335	118,525	28,450	9,150	-	-	-	-

TABLE 5. 2025-26 Caseloads from Governor's Budget to 2025 May Revision

	Gov. Budget	Gov. Budget	Gov. Budget	Gov. Budget	May Revision	May Revision	May Revision	May Revision	CHANGE GB to MR	CHANGE GB to MR	CHANGE GB to MR	CHANGE GB to MR
CASELOAD	Total Cases Served	Open Cases	New Plans	Successful Closures	Total Cases Served	Open Cases	New Plans	Successful Closures	Total Cases Served	Open Cases	New Plans	Successful Closures
Base Programs	119,551	91,282	24,512	7,423	119,600	95,710	26,600	7,885	49	4,428	2,088	462
VR Consumer	84,430	62,913	24,512	7,423	90,900	65,924	26,600	7,885	6,470	3,011	2,088	462
PE Participant	35,121	28,369	-	-	28,700	29,786			(6,421)	1,417	-	-
Cooperative Contracts	36,784	27,243	3,938	1,727	36,800	27,300	4,000	1,800	16	57	62	73
VR Consumer	10,705	6,887	3,938	1,727	10,700	6,900	4,000	1,800	(5)	13	62	73
PE Participant	26,079	20,356	-	-	26,100	20,400			21	44	-	-
Total, All Programs	156,335	118,525	28,450	9,150	156,400	123,010	30,600	9,685				
Caseload by Case Type												
VR Consumer	95,135	69,800	28,450	9,150	101,600	72,824	30,600	9,685	6,465	3,024	2,150	535
PE Participant	61,200	48,725	-	-	54,800	50,186	-	-	(6,400)	1,461	-	-
Total, All Case Types	156,335	118,525	28,450	9,150	156,400	123,010	30,600	9,685	65	4,485	2,150	535

TABLE 6. Comparison of 2024-25 to 2025-26 Caseloads in 2025 May Revision

CASELOAD	2024-25	2024-25	2024-25	2024-25	2025-26	2025-26	2025-26	2025-26	CHANGE	CHANGE	CHANGE	CHANGE
	Total Cases Served	Open Cases	New Plans	Successful Closures	Total Cases Served	Open Cases	New Plans	Successful Closures	Total Cases Served	Open Cases	New Plans	Successful Closures
Base Programs	119,551	91,282	24,512	7,423	119,600	95,710	26,600	7,885	49	4,428	2,088	462
VR Consumer	84,430	62,913	24,512	7,423	90,900	65,924	26,600	7,885	6,470	3,011	2,088	462
PE Participant	35,121	28,369	-	-	28,700	29,786			(6,421)	1,417	-	-
Cooperative Contracts	36,784	27,243	3,938	1,727	36,800	27,300	4,000	1,800	16	57	62	73
VR Consumer	10,705	6,887	3,938	1,727	10,700	6,900	4,000	1,800	(5)	13	62	73
PE Participant	26,079	20,356	-	-	26,100	20,400			21	44	-	-
Total, All Programs	156,335	118,525	28,450	9,150	156,400	123,010	30,600	9,685				
Caseload by Case Type												
VR Consumer	95,135	69,800	28,450	9,150	101,600	72,824	30,600	9,685	6,465	3,024	2,150	535
PE Participant	61,200	48,725	-	-	54,800	50,186	-	-	(6,400)	1,461	-	-
Total, All Case Types	156,335	118,525	28,450	9,150	156,400	123,010	30,600	9,685	65	4,485	2,150	535