



Idaho Division of Vocational
Rehabilitation
650 W State Street, Suite 150
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April 2, 2024

To Co-Chair Representative Horman and Senator Grow,

I appreciate your prompt attention to this important matter, and I share your concern about the agency's financial situation brought about by **internal control issues.**

As you are aware, the Idaho Division of Vocational Rehabilitation is about to overspend their Trustee and Benefit, our payment for customers services. **Currently, we have funds authorized for payments we do not have appropriations to cover.** Furthermore, we have three months remaining of this fiscal year to provide services.

The Division has had 3 fiscal officers since 2022.

Currently, we are serving 8244 Idahoans with disabilities. The impact of ceasing services would be significant in their ability to become contributing members of their community and to the state. Furthermore, there would be an impact to the vendors who support the services they receive while moving toward their success in obtaining employment.

I am asking for your consideration in approving a supplemental for the following:

Additional T&B spending authority:

- Federal Fund (34800)- \$2,300,000
- Misc. Revenue Fund (34900)- \$400,000
- We are also requesting to move \$550,000 in current salary savings to T&B. \$430,000 from federal (34800) and \$120,000 from the general fund (10000).

We used current/available salary savings only. There is no need to hold positions open to create the savings we are requesting.

The following will be our corrective action plan:

Corrective Action:

- Over the next 1-3 months, by the start of SFY25, evaluate spend plan and the adjustments needed. Recalibrate and/or readjustment of services.

Plan will include:


- **Set and manage appropriate/ fiscally responsible budgetary limits in our case management system.**
- **Specifically begin with our fiscal team and leadership team (supervisors/managers). Eventually educate all staff to include counselors and assistants as to their role and responsibility to promote responsible government and to be good stewards of all funds.**

- Fiscal Officer and Administrator will meet weekly to review all aspects of the budget to include spending trends.
- Executive management team will review spending authority (appropriation), cash, expenditures, and authorizations at minimum monthly.
- Create process for more timely review of services to determine if services have been utilized.
- Fiscal process review
- Explore Luma opportunities that can help the agency manage their federal grant funds better.

If the measures stated above are not sufficient for our customer demand, we would implement an order of selection based on federal mandates.

Thank you for your consideration.

Sincerely,


Jane Donnellan, MA, CRC
Administrator



BRAD LITTLE
GOVERNOR

April 2, 2024

The Honorable C. Scott Grow, Co-chair
The Honorable Wendy Horman, Co-chair
Joint Finance Appropriations Committee
Idaho Statehouse
Hand Delivered

Dear Co-chairs Grow and Horman,

Working closely with the Idaho Legislature, the State of Idaho has consistently managed a structurally balanced budget. Idaho is a leader among states in effectively managing our state programs while providing quality service to the people of Idaho.

The Governor's Office is very concerned by the recent report of mismanagement of expenses at the Division of Vocational Rehabilitation and apparent lack of internal controls at the agency. Our office received details about the situation from the division just yesterday afternoon.

In response, we are immediately ordering an independent audit of the agency. We will take into consideration any necessary personnel actions or management actions in response to any audit findings.

Enclosed is a letter from Division Administrator Jane Donnellan detailing the agency's request for action by the Legislature to address the financial situation.

Our office looks forward to working with you on this important matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Zach Hauge".

Zach Hauge
Chief of Staff
Office of the Governor