2026 Special Session I

Budget Bill - HB30 (Introduced)

Department for Aging and Rehabilitative Services

Item 318	First Year - FY2027	Second Year - FY2028
Rehabilitation Assistance Services (45400)	**$123,960,176**	**$123,960,176**
Vocational Rehabilitation Services (45404)	$99,018,941	$99,018,941
Community Rehabilitation Programs (45406)	$24,941,235	$24,941,235
Fund Sources:		
General	$42,430,007	$42,430,007
Special	$473,652	$473,652
Dedicated Special Revenue	$1,630,427	$1,630,427
Federal Trust	$79,426,090	$79,426,090

Authority: Title 51.5, Chapter 14, Code of Virginia; P.L. 93-112, Federal Code.

A.1. Total funds available to be used by the Department for Aging and Rehabilitative Services (DARS) as state matching dollars for the federal Vocational Rehabilitation State Grant provided under the Rehabilitation Act of 1973, as amended, hereafter referred to as the federal vocational rehabilitation grant, are estimated at $17,006,465 for state fiscal year 2026; $18,006,465 for state fiscal year 2027; and $18,006,465 for state fiscal year 2028. This estimate includes funds currently appropriated at Wilson Workforce and Rehabilitation Center. Based on these amounts and the annual 21.3 percent state matching requirement for the federal vocational rehabilitation grant, it is estimated that it is possible for DARS to draw down up to $62,836,094 in federal grant funds in state fiscal year 2026; $66,530,929 in state fiscal year 2027; and $66,530,929 in state fiscal year 2028. State funds appropriated in this Item for the provision of vocational rehabilitation services shall not be transferred or expended for any purpose other than to support activities related to vocational rehabilitation.

2. Should available funding for the state match exceed the estimates in paragraph A.1., DARS shall provide written notification to the Director, Department of Planning and Budget. Such notification shall include the dollar amount of the new funds being designated as state match, the source of such funds, an estimate of the amount of federal funding that can be drawn down as a result of increasing state match spending, and the estimated time period for which the increased rate of state match spending can be sustained.

3. The annual federal vocational rehabilitation grant award that will be received by DARS is estimated at $83,120,416 for federal fiscal year 2026; $83,120,416 for federal fiscal year 2027; and $83,120,416 for federal fiscal year 2028. In addition to the base annual award amount, DARS is authorized to request up to $4,000,000 of additional federal reallotment dollars in each of these years. Assuming these amounts, the estimated state matching dollars necessary to draw down the full base annual award and optional reallotment dollars would equate to $23,578,969 for federal fiscal year 2026; $23,578,969 for federal fiscal year 2027; and $23,578,969 for federal fiscal year 2028.

4. Based on the projection of federal award funding in paragraph A.3., DARS shall not request federal vocational rehabilitation grant dollars in excess of $87,120,416 for the federal fiscal year 2026 grant; $87,120,416 for the federal fiscal year 2027 grant; and $87,120,416 for the federal fiscal year 2028 grant, without prior written concurrence from the Director, Department of Planning and Budget. Any approved increases in grant award requests shall be reported by DARS to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days. Any federal reallotment dollars received by the agency shall not be used for any purpose that creates an ongoing fiscal obligation to the Commonwealth.

5. By October 1 of each year, the department shall submit an annual report that details all vocational rehabilitation program revenues and spending from the prior state fiscal year, as well as spending and revenue projections for the current and upcoming state fiscal years. The report shall provide distinction between program spending and revenues for state funds and federal funds. The report shall also include a list of funding sources supporting the 21.3 percent state match in a given state fiscal year. This report shall be provided to the Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

B. Out of this appropriation, $1,280,512 the first year and $1,280,512 the second year from the general fund shall be used to provide vocational rehabilitation services for persons recovering from mental health issues, alcohol, and other substance abuse issues pursuant to an interagency agreement between the Department of Behavioral Health and Developmental Services and the Department for Aging and Rehabilitative Services.

C. The Department for Aging and Rehabilitative Services shall use non-federal appropriation in this Item to fulfill any necessary match requirement for the federal Supported Employment grant.

D.1. Out of this appropriation, $8,952,766 the first year and $8,952,766 the second year from the general fund is provided for the Long Term Employment Support Services (LTESS) and Extended Employment Services (EES) programs.

2. The appropriation for LTESS and EES shall be used for the programs and for recovery of administrative costs, which are limited to 1.61 percent the first year and 1.61 percent the second year. The appropriation shall not be used for any other purposes apart from those described in this Item.

3. The Employment Service Organization Steering Committee (ESOSC), as established in § 51.5-169.2, Code of Virginia, shall report to and advise the Commissioner on policy, funding, and the allocation of funds to employment service organizations (ESOs) for LTESS and EES pursuant to § 51.5-169.1, Code of Virginia, as well as all other services of which ESOs are current or proposed vendors. The Department for Aging and Rehabilitative Services shall consider recommendations from the ESOSC as it relates to allocating funds for LTESS, EES, and/or Economic Development activity associated with the administration of these programs. Funding allocated to ESOs for LTESS and EES shall be allocated consistent with the recommendations of the ESOSC.

4. An employment services organization that had a CARF accreditation may continue to receive funding for LTESS and EES for up to six months after their accreditation expires if the organization is actively pursuing CARF reaccreditation.

E. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be used to contract with Didlake Inc., for the purpose of Extended Employment Services and Long Term Employment Support Services for people with disabilities.

F.1. A minimum of $8,240,931 the first year and $8,240,931 the second year from general fund dollars is allocated to support Centers for Independent Living.

2. The Department for Aging and Rehabilitative Services (DARS) shall collect data on the total operating budget of

each Center for Independent Living (CIL) funded in this Item, including the total amount of state dollars provided to each. In addition, DARS shall have available an annual summary of how each CIL utilizes state dollars, including a position level breakdown of those classified positions funded with state dollars. DARS shall update this information by August 15 of each year with the previous year's data.

G. The Department for Aging and Rehabilitative Services shall fulfill the administrative responsibilities pertaining to the Personal Attendant Services program, without interruption or discontinuation of personal attendant services currently provided.

H. Out of this appropriation, it is estimated that $2,512,607 the first year and $2,512,607 the second year from the general fund shall be used for personal assistance services for individuals with disabilities.

I.1. Out of this appropriation, $10,396,719 the first year and $10,396,719 the second year from the general fund shall be provided for expanding the continuum of services used to assist persons with brain injuries in returning to work and community living.

2. Of this amount, $1,830,000 the first year and $1,830,000 the second year from the general fund shall be used to provide a continuum of brain injury services to individuals in unserved or underserved regions of the Commonwealth. Up to $150,000 each year shall be awarded to successful program applicants. Programs currently receiving more than $250,000 from the general fund each year are ineligible for additional assistance under this section. To be determined eligible for a grant under this section, program applicants shall submit plans to pursue non-state resources to complement the provision of general fund support.

3. Of this amount, $285,000 the first year and $285,000 the second year shall be provided from the general fund to support case management services for brain-injured individuals and their families in Southwest Virginia.

4. Of this amount, $720,000 the first year and $720,000 the second year from the general fund shall be used to support case management services for individuals with brain injuries in unserved or underserved regions of the Commonwealth.

5. Of this amount, $775,000 the first year and $775,000 the second year from the general fund shall be used for workforce retention for brain injury service providers.

6. Of this amount, $1,875,000 the first year and $1,875,000 the second year from the general fund shall be provided to: (i) strengthen and expand the existing state contracted safety net brain injury services system by increasing the numbers of case managers, clubhouse staff, clinical professional staff and/or program support staff, and/or (ii) develop new safety net services in unserved areas of the state.

7. In allocating additional funds for brain injury services, the Department for Aging and Rehabilitative Services shall consider recommendations from the Virginia Brain Injury Council (VBIC).

8. The Department for Aging and Rehabilitative Services (DARS) shall submit an annual report by September 1 of each year to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees documenting the number of individuals served, services provided, and success in attracting non-state resources.

J.1. For Commonwealth Neurotrauma Initiative Trust Fund grants, the commissioner shall require applicants to submit a plan to achieve self-sufficiency by the end of the grant award cycle in order to receive funding consideration.

2. Notwithstanding any other law to the contrary, the commissioner may reallocate up to $500,000 from unexpended balances in the Commonwealth Neurotrauma Initiative Trust Fund to fund new grant awards for research on traumatic brain and spinal cord injuries.

K. Out of this appropriation, $446,618 the first year and $446,618 the second year from the general fund shall be allocated to the Long Term Rehabilitation Case Management Services Program.

L. Every county and city, either singly or in combination with another political subdivision, may establish a local disability services board to provide input to state agencies on service needs and priorities of persons with physical and sensory disabilities, to provide information and resource referral to local governments regarding the Americans with Disabilities Act, and to provide such other assistance and advice to local governments as may be requested.