# PART C, CHAPTER 2.3:CUSTOMER FINANCIAL PARTICIPATION(BASIC LIVING REQUIREMENTS)

|  |  |  |  |
| --- | --- | --- | --- |
| **Policy Number** | **Authority** | **Scope**  | **Effective Date** |
| Part C, Chapter 2.3 | 34 CFR [§361.48](https://www.ecfr.gov/current/title-34/section-361.48), [§361.54](https://www.ecfr.gov/current/title-34/section-361.54), 2 CFR [Part 3485](https://www.ecfr.gov/current/title-2/part-3485), [Part 3474](https://www.ecfr.gov/current/title-2/part-3474), Texas Government Code [Chapter 2155](https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2155.htm) , TWC Rule [Chapter 20](https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2155.htm), [§856.59](https://texreg.sos.state.tx.us/public/readtac%24ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=40&pt=20&ch=856&rl=59), and [§856.60](https://texreg.sos.state.tx.us/public/readtac%24ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=40&pt=20&ch=856&rl=60)  | All TWC-VR staff | 07/03/2025 |

## PURPOSE

In accordance with the authority (Federal and State) listed above, this policy is issued by the Texas Workforce Commission Vocational Rehabilitation Division (TWC-VR). Adherence to these rules and regulations issued under the Rehabilitation Act of 1973, as amended by Title IV of the Workforce Innovation and Opportunity Act (WIOA), supports Texans with disabilities in gaining, maintaining, and advancing in competitive integrated employment (CIE).

Specifically, the purpose of this policy and these procedures is to ensure adherence to the requirements for TWC-VR staff to appropriately determine the level of financial participation in the cost of services.

## DEFINITIONS

Basic Living Requirements (BLR): The framework for determining whether the customer must contribute to the cost of certain TWC-VR services. BLR is applied uniformly to ensure that all customers in similar circumstances receive equitable treatment.

Best Value Purchasing: The purchasing of goods and services that meet the customer's vocational needs in the most cost-effective manner.. This includes consideration of purchase price, installation costs, life cycle costs, quality and reliability of the goods and services, delivery terms, indicators of probable vendor performance, cost of training associated with the purchase, and other factors relevant to determining the best value in the context of a particular purchase.

Informed Choice: The means by which a customer chooses their rehabilitation path, from options based on their needs and circumstances and the TWC-VR rule’s, including choosing services, the providers of those services.

Social Security Disability Insurance (SSDI): Financial assistance to individuals who are unable to work due to a significant disability. Designed as a safety net for workers who have paid into the Social Security system through payroll taxes, SSDI benefits are based on an individual's work history and earnings record.

Supplemental Security Income (SSI): Needs-based disability benefits paid to disabled individuals who have limited income and resources. Disability benefits under SSI include 1) Childhood SSI (for those under age 18) and 2) SSI Adult Disabled/Blind (for those age 18 to 65).

## POLICY

### General Overview

While there is no Federal requirement to consider the financial need of individuals when providing services, TWC-VR does consider the financial need of individuals for purposes of determining the extent of their participation in the cost of TWC-VR services.

### Additional Policy Considerations

* Comparable Services and Benefits:
* TWC-VR must not expand funds on goods and services unless the VR counselor and the customer have made maximum efforts to secure service and benefits that are:
	+ Provided or paid for, in whole or in part, by other Federal, State, or local public agencies, by health insurance, or by employee benefits;
	+ Available to the individual at the time needed to ensure the progress of the individual toward achieving the employment outcome in the individual’s individualized plan for employment; and
	+ Commensurate to the services that the individual would otherwise receive from the designated TWC-VRD.
* Recipients of Social Security Disability Benefits: Recipients of Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), due to the customer's disability, are exempt from the requirement to participate in the cost of TWC-VR services regardless of income.
* Exceptions to Policy: When necessary to meet the VR needs of a customer, TWC-VR staff members may request exceptions to policies and procedures through their chain of management up to the Deputy Division Director of Field Services Delivery, or designee. However, exceptions to policies and procedures based on Federal and State laws, statutes, and rules or regulations are not allowable.

## PROCEDURES

### Determining Financial Need and BLR

Documentation is required for the customer's income and expenses. A customer who is eligible for Social Security Disability Benefits (SSI and SSDI) provides only proof of Social Security eligibility. Customers may refuse to provide information, and, in those instances, TWC-VR makes the determination that the customer exceeds the Basic Living Requirements (BLR) and will be responsible for paying the cost of goods and/or services, when BLR requirements applies. For all other customers, documentation regarding the following must be received:

* Income: Net wages and net income for the customer, customer’s spouse (if applicable), and parent or legal guardian (if the customer is claimed as a dependent for purposes of Federal income taxes); all Social Security benefits; income such as public support payments, VA income benefits, unemployment compensation income, Workers' Compensation income, private disability insurance, or annuities; child support payments received by the customer.

Documentation Required: Check stub, bank statement, earnings statement, award letter, income tax return, or a court order.

* Liquid Assets: Cash, plus assets that are easily converted to cash for the customer, customer’s spouse (if applicable), and parent or legal guardian (if the customer is claimed as a dependent for purposes of Federal income taxes).

Documentation Required: Account statements.

* Allowable Additions: Monthly home mortgage or rental payments, prescribed diet and medicines used by the customer, debts imposed by court order, medical costs, and disability-related expenses of the customer.

Documentation required: Statement, canceled checks, money order stub, contract, lease, itemized receipts, or a court order.

### IPE Requirements

If the customer's IPE is developed before proof of income and expenses are received, the VR Counselor does not include services that require the customer's participation in the cost.

When proof of income and expenses are received, the VR Counselor amends the IPE as needed.

### Financial Participation Does Not Apply

A customer whose net income or liquid assets exceed the BLR is not required to help pay for services, if—

* The customer is eligible for Social Security disability benefits (i.e., SSI or SSDI);
* The VR Manager grants an exception because the customer's participation would prevent the customer from receiving a necessary service;
* The individual is a potentially eligible student with a disability.

### Calculating the Amount of Financial Participation

RHW determines the amount that a customer must contribute to the cost of services, based on the customer's net monthly income and family size as related to the poverty guidelines for the current fiscal year.

When the liquid assets exceed the BLR level after including any allowable BLR additions, the customer must contribute toward the cost of goods and services when BLR applies. As the customer is covering the excess, their contribution must not exceed the cost of the good and/or service.

For each month in which TWC-VR pays for goods and/or services, the customer must contribute the difference between the customer's monthly net income and the BLR level after including any allowable BLR additions.

Additionally, as the BLR is utilized monthly, the customer’s BLR must be recalculated if their net income and liquid assets change.

The VR Counselor must inform the customer that failure to provide complete and accurate financial information may result in a denial or delay of services that are not exempt from customer contribution requirements.

### Financial Need Exemptions

Some services are exempt from the BLR and customer financial participation in the cost of services, as shown in the table below:

| VR Service | BLR Applies |
| --- | --- |
| Adult Basic Education | Yes |
| Apprenticeship Costs and Opportunities | Yes |
| Assessment for determining eligibility and VR Needs | No |
| Auxiliary Aids and Services | No |
| Bundled Job Placement Services | No |
| BVI Specialty Services:* Assistive Technology Unit Services
* Criss Cole Rehabilitation Center (CCRC)
* DeafBlind Services
* Employment Assistance Services
* Vocational Diagnostic Unit
* Vocational Rehabilitation Teacher Services
 | No |
| Child Care Services | Yes |
| College, University, and Technical Training (tuition and fees) | Yes |
| Counseling and Guidance | No |
| Diabetes Education Services | No |
| Employment Assistance Specialist Services | No |
| Home and Jobsite Modifications (actual service) | Yes |
| Interpreter Services | No |
| Job Skills Training | No |
| Maintenance (BLR does not apply when directly associated with a required assessment; BLR does apply in all other conditions.) | Yes |
| Medical Services | Yes |
| Non-Bundled Job Placement Services | No |
| Occupational Licenses | Yes |
| On-the-Job Training | No |
| Orientation and Mobility Services | No |
| Paid Work Experience Services | No |
| Personal Assistant Services | No |
| Pre-Employment Transition Services Pre-ETS | No |
| Print Braille Materials (provided by TWC-VR in-house) | No |
| Project SEARCH | No |
| Psychological Services | Yes |
| Reader Services | No |
| Rehabilitation Technology Devices and Services, including Hearing Aids (Comparable benefits are not required but should be used if readily available to meet best value requirements.) | Yes |
| Room and Board | Yes |
| Self-Employment Services | Yes |
| Services to the Customer's Family Members | Yes |
| Services for SSI/SSDI Recipients | No |
| Supported Employment Services | No |
| Textbooks and Supplies | Yes |
| Tools and Equipment | Yes |
| Training by Paid Instructor | Yes |
| Translator Services | No |
| Transportation Services (BLR does not apply when directly associated with a required assessment; BLR does apply in all other conditions.) | Yes |
| Tutoring | Yes |
| TWC-VR services needed to directly support Pre-ETS, such as transportation, maintenance, and personal assistant services (applicable for VR-eligible students only) | Yes |
| Vehicle Modifications | Yes |
| Vehicle Rental | Yes |
| Vehicle Repairs | Yes |
| Work Experience Services | No |
| Work Readiness Services (PSAT, WAT, and VAT) | No |

### Service Authorizations (SA)

The TWC-VR Counselor must consider the following factors when authorizing the purchase of a good or service:

* Cost, accessibility, type, and duration of the service;
* Customer's informed choice;
* Customer's satisfaction with the proposed service;
* Provider's compliance with the Americans with Disabilities Act (ADA);
* Qualifications of the service provider;
* Setting in which the service is provided;
* Provider's history of success with other customers;
* Best value;
* Use of comparable benefits; and
* Any required customer participation in cost of service.

If, prior to SA, the customer is participating toward the cost of services and paying TWC-VR directly instead of the vendor, the total amount the customer is required to pay must be received.

### Payment

* Billing/Invoices: When paying TWC-VR, the total amount that the customer is required to pay must be received prior to any SA being issued.
	+ A customer pays the service provider directly, except for the Maximum Affordable Payment Schedule (MAPS) and contract services.
	+ When direct payment to the provider is not feasible, the TWC-VR Counselor arranges for the customer to submit the required amount to TWC-VR by check or money order.
	+ When authorizing the purchase of hearing aids, accessories, and/or hearing aid service charges and the customer exceeds BLR, the customer must submit the required amount to TWC-VR by check or money order.
	+ The customer may pay in kind for certain services listed on the IPE (e.g., paying for transportation to receive services, or paying for uniforms, textbooks).
* Documentation: When receiving payments from customers for service, the VR Counselor must document the receipt of the check or money order in a case note, file copies of the check or money order in the customer's case file, and document refunds accordingly.

### Refunds

When receiving a refund from a vendor or customer, the Unit Purchasing Specialist or the designated TWC-VR staff member for that office location must—

* Document the receipt of the check or money order in a case note;
* Complete the *Cash Receipts and Returned Warrants Log (TWC1770)*;
* Complete the *Cash Receipts Transmittal Memo (TWC1769)*;
* Email the completed *TWC1769* and scanned checks or money order to TWC Revenue and Trust Management (revenuetrust.mgmt@twc.texas.gov) within two business days after the mail was opened or the check was hand delivered to the office, copying the Regional Director, Deputy Division Director of Field Services Delivery, and VR Division Director;
* Make a paper copy of the check or money order and the *TWC1769*;
* File the copies in the case file; and
* Mail the original check or money order and the *TWC1769* to—

**Texas Workforce Commission**
Revenue and Trust Management
PO Box 322
Austin, Texas 78767

The TWC-VR staff member can contact TWC Revenue and Trust Management Depository at (512) 463-2611 for questions.

## APPROVALS & CONSULTATIONS

TWC-VR staff must follow the following approvals and consultations:

* *VR Manager approval is required to not apply BLR because the customer's participation in services would prevent the customer from receiving a necessary service.*

## REVIEW

The Policy Planning and Statewide Initiatives Team, or designee, is responsible for reviewing this policy and these procedures and will update the Document History log if necessary.

|  |  |  |
| --- | --- | --- |
| **Date** | **Type** | **Change Description** |
| 9/3/2024 | New | VRSM Policy and Procedure Rewrite |
| 07/01/2025 | Revised  | Updated the definition of Best Value Purchasing |