

## A. INPUT OF STATE REHABILITATION COUNCIL

All agencies, except for those that are independent consumer-controlled commissions, must describe the following:

### 1. INPUT PROVIDED BY THE STATE REHABILITATION COUNCIL, INCLUDING INPUT AND RECOMMENDATIONS ON THE VR SERVICES PORTION OF THE UNIFIED OR COMBINED STATE PLAN, RECOMMENDATIONS FROM THE COUNCIL'S REPORT, THE REVIEW AND ANALYSIS OF CONSUMER SATISFACTION, AND OTHER COUNCIL REPORTS THAT MAY HAVE BEEN DEVELOPED AS PART OF THE COUNCIL'S FUNCTIONS;

#### **BENEFITS COUNSELING**

VR should continue to support benefits counseling as this is a key concern for families. It was recommended that benefits counseling resources and knowledge be shared across WIOA core partners. This could be achieved through collaboration with the Disability Employment Initiative (DEI) Grants, through education and training of WIOA partners, and be exploring the availability of benefits counseling in the local Work One centers.

VR Response: VR plans to continue to support benefits counseling through the funding of the Benefits Information Network (BIN), and agrees that counseling on the impact of working on benefits and available federal and state work incentives is critical in helping consumers to make informed choices about working and in working toward self-sufficiency. VR will include discussion on the importance of benefits counseling in conversations with WIOA partners.

#### **COLLABORATION WITH DWD AND WIOA PARTNERS**

Greater collaboration with WIOA partners including Department of Workforce Development (DWD) is also needed to coordinator services for mutual consumers; ensure each partner has appropriate information about referral processes and a basic understanding of eligibility requirements and available services. VR was encouraged by the commission to continue with the pilot project to develop a subject matter expert in local VR and Work One locations. Increased education with DWD and other WIOA partners is needed to improve awareness and knowledge of how to best serve individuals with disabilities and ensure services are individualized as appropriate.

VR Response: The pilot project that developed subject matter experts in local VR and One Stop offices will continue. VR will continue to take the opportunity to educate WIOA partners about VR services in ongoing communication with these partners.

#### **TRANSITION**

Further education to secondary schools regarding services available through WIOA partners is also necessary, including services available to youth through DWD. It is important to ensure that in addition to special education professionals, school guidance counselors and transition coordinators also receive the necessary information. Cross-training will be useful to also ensure that WIOA partners understand the services and supports provided through local education agencies. Discussion with schools is also needed to identify students who may not be receiving special education, but would benefit from VR services or services through DWD or other WIOA partners.

The Commission also suggested that further exploration is necessary on the provision of work experience services to students, including those working toward a High School diploma. Financial literacy and self-disclosure are also important issues for individuals with disabilities and VR is encouraged to ensure resources are in place to meet these needs. Additional suggestions regarding services to youth with disabilities included looking at best practices from a School-to-work pilot

project utilizing career coaches in schools and providing work experiences prior to a student's exit from school.

VR Response: VR continues to facilitate a Statewide Transition Workgroup and will address these recommendations with the group. VR has implemented modifications to the VR employment service model and Discovery services. One of the changes is increased access to work experiences by all VR consumers, including youth. Discussions are already underway between the VR Director and the DWD Youth program directors. Both parties are very interested in better collaboration on programs such as Jobs for America's Graduates (JAG).

### **VR STAFF QUALIFICATIONS AND RETENTION**

Finally, the commission focused much of their input on the opportunities for hiring and retaining qualified VR staff in light of changes to the Comprehensive System of Personnel Development (CSPD). Both VR Leadership and the Commission recognize that there is a severe lack of candidates in Indiana with a Master's degree in Rehabilitation and/or a Certified Rehabilitation Counselor (CRC) licensure. The commission voiced support for modifying the hiring criteria for VR Counselors in Indiana to align with the revised CSPD requirements outlined in WIOA, including the ability to hire qualified candidate who do not have an appropriate Master's degree, but have a Bachelor's degree in an appropriate area and the necessary skills and experience in working with individuals with disabilities. The commission, like VR Leadership, believes this strategy will assist with broadening the pool of qualified candidates and potentially improve job retention. The commission continues to express their concern that the starting salary of a VR Counselor in Indiana is a barrier to obtaining and retaining qualified staff. The commission also suggested a pay differential for VR Counselors who do have a Master's degree and/or are a CRC.

VR Response: VR appreciates the support of the outlined changes in CSPD's personnel standard as reflected in more detail in Section (i).

### **OTHER**

The Commission addressed the need for better collaboration with additional partners such as Department of Corrections (DOC) on better serving mutual consumers and ensuring consumers can rapidly engage in services. Education and awareness of VR is needed with appropriate DOC partners.

Marketing of the VR program continues to be important, including highlighting of success stories, improved signage at VR offices, and improvements to the state VR website. The commission also noted the importance of providing recognition to VR field staff that are engaging in innovative practices.

VR Response: The Business Community and Engagement Director will continue to build relationships with appropriate partners, including DOC, as well as further explore effective marketing strategies. (Please refer to section (c) below for more information.) VR recently developed a Twitter and Facebook page as part of a social media campaign. VR agrees that sharing and highlighting success stories are important. VR will continue to explore ways to provide such information to constituents and businesses. With respect to staff recognition, VR agrees and welcomes appropriate strategies. The VR Commission will add this to the agenda for January 2016 meeting.

### **ORDER OF SELECTION**

The BRS Director met with the commission on March 10, 2017 to obtain feedback regarding the determination by the Director that Indiana must seek approval, through a state plan amendment, to implement an Order of Selection. The Director outlined the challenges faced by BRS regarding insufficient staffing and fiscal resources. The commission assisted in identifying locations for public hearings and will encourage constituents to provide comments. Further input from the commission

was sought prior to submitting the state plan amendment. The BRS Director addressed additional concerns and reviewed the annual estimates and justification for the order of selection with the commission prior to submittal of the state plan amendment. Specific concerns and questions voiced by the commission included the following:

- The commission desired to have a better understanding of what resources would be shared with individuals who would be deferred for services, and relayed that they would like to see a plan for building sufficient capacity in order to serve all eligible individuals and open all priority categories.
- The commission inquired about the number of individuals served in each priority category, and the estimated length of time individuals would need to wait to receive services.
- A few commission members expressed that they did not have sufficient involvement in the determination to seek approval to implement an order of selection.
- Several commission members voiced their understanding of the deficit of resources, and offered their assistance in working toward building capacity.

VR Response: BRS appreciates the feedback and assistance of the commission. BRS and the Commission have discussed staffing challenges for the last couple of years, and BRS has provided multiple reports on the progress of implementing various strategies to build staff capacity. Despite those efforts, BRS continues to lack sufficient resources to serve all eligible individuals. There is much work ahead of us as we work together to ensure that a unified message is relayed to consumers, families, providers, and other stakeholders. Over the next several months, the commission's feedback will continue to be sought to identify other resources that may be shared with consumers who may not be served by VR. BRS will also continue to update the commission on identified strategies and progress toward building capacity.

## **2. THE DESIGNATED STATE UNIT'S RESPONSE TO THE COUNCIL'S INPUT AND RECOMMENDATIONS; AND**

Please see the DSU's responses in section 1, following each specific are of input from the State Rehabilitation Council.

## **3. THE DESIGNATED STATE UNIT'S EXPLANATIONS FOR REJECTING ANY OF THE COUNCIL'S INPUT OR RECOMMENDATIONS.**

N/A

## K. ANNUAL ESTIMATES

(Formerly known as Attachment 4.11(b)). Describe:

### 1. THE NUMBER OF INDIVIDUALS IN THE STATE WHO ARE ELIGIBLE FOR SERVICES;

The current population in Indiana, based on 2011 U.S. Census Bureau estimates, is more than 6.5 million with approximately 62 percent of the population of working age (18 through 64).

Of the working-age population, 8.9% have self-reported as diagnosed with a disability.

A total of 1.7% of this population is employed (Von Schrader, S., Lee, C. G. (2015). *Disability Statistics from the Current Population Survey (CPS)*. Ithaca, NY: Cornell University Employment and Disability Institute (EDI). Retrieved August 17, 2015 from [www.disabilitystatistics.org](http://www.disabilitystatistics.org)).

62% of 6,500,000 = 4,030,000 individuals who are working age (between 18-64 years of age); 8.9% of working age individuals who have a disability = 358,670; 1.7% of those are working = 6,097. This results in 352,573 individuals with a disability in Indiana who are not working.

### 2. THE NUMBER OF ELIGIBLE INDIVIDUALS WHO WILL RECEIVE SERVICES UNDER:

#### A. THE VR PROGRAM;

A State VR agency is required to implement an order of selection when it anticipates that it will not have sufficient personnel and/or fiscal resources to fully serve all eligible individuals. Indiana BRS lacks sufficient resources to serve all eligible individuals in the VR program. The annual projected number of eligible individuals in the VR program is 15,547; however, VR anticipates having sufficient resources to serve a maximum of 14,040 individuals in FFY17, and a maximum of 11,081 individuals in FFY18. (A breakdown by funding source is outlined in the table below). These deficits are currently attributed to insufficient personnel resources, however a deficit of fiscal resources is projected starting in FFY18.

The tables below provide the FFY17 and FFY18 projected spend for the Indiana VR program, with a breakdown by source of funding.

Indiana VR FFY17 Annual Budget

<i>Funding Source</i>	<i>Client services</i>	<i>Pre-ets</i>	<i>*Administration</i>	
<i>Title I VR</i>	43,500,000	5,000,000	26,500,000	
<i>Title VI Part B SE</i>	500,000			
<i>Program Income</i>	1,000,000			
<b>TOTAL</b>	<b>45,000,000</b>	<b>5,000,000</b>	<b>26,500,000</b>	<b>76,500,000</b>

*\*Administration includes personnel, leasing, equipment, travel, contractual expenses and related.*

Indiana VR FFY18 Annual Budget

<i>Funding Source</i>	<i>Client services</i>	<i>Pre-ets</i>	<i>*Administration</i>	
<i>Title I VR</i>	34,900,000	9,400,000	30,700,000	
<i>Title VI Part B SE</i>	500,000			
<i>Program Income</i>	1,000,000			
<b>TOTAL</b>	<b>36,400,000</b>	<b>9,400,000</b>	<b>30,700,000</b>	<b>76,500,000</b>

*\*Administration includes personnel, leasing, equipment, travel, contractual expenses and related. Any increase in staffing will increase administration expenses. Administration costs will also increase as a result of implementation of infrastructure funding agreements as required by WIOA.*

For FFY 2017, VR estimates that client service costs for Title I will be \$43.5 million. For FFY18, the estimated client services costs for Title I are \$34.9 million, as a reduced number of consumers will be served in FFY18 compared to FFY17 since the order of selection will be in place for a full year in FFY18 and for only a few months in FFY17.

For FFY 2017, VR estimates that of the 14,040 eligible individuals served, Title VI, Part B (\$500,000) will provide funding for approximately 150 eligible individuals. Note that additional individuals receive supported employment services with Title I funds. The same projection applies for FFY18.

The estimated service costs in FFY17 for serving 14,040 individuals in the Titles I and VI, Part B programs are approximately, \$44 million. The estimated service costs in FY 2018 for serving 11,081 individuals in the Titles I and VI, Part B programs are approximately, \$35.4 million. Additionally, VR anticipates the availability of approximately \$1 million in program income for client services costs each year, bringing the total client services projected spend to \$45 million for FFY17, and \$36.4M for FFY18. Program income funds are sufficient to serve approximately 300 consumers each year.

Of the projected total client services cost of \$45 million in FFY17, the estimated cost to continue to serve the 10,235 individuals across all priority categories, who had an IPE in place prior to implementation of the Order of Selection, is \$32.3 million. Of the 10,235 individuals, 41% are individuals in priority category 1, 46% are in priority category 2, and 13% are in priority category 3.

For FFY 2017 VR estimates that total projected VR costs (services and administrative costs including federal grant funds and adjusted agency actual non-federal match) funded under Title I will be \$75 million. Fifty-eight percent (58%) will be case service costs funded under Title I (\$43.5 million); 35.3% percent will be administrative costs (\$26.5 million), of which \$15 million (20%) are personnel costs; and the remainder, 6.7% (\$5 million) is earmarked for pre-employment transition services to work toward the requirement to set aside 15% of Title I federal funds.

Total funding available for serving individuals in Title I (\$43.5 million) and VI-B (\$500,000), program income (\$1 million), administrative costs including personnel (\$26.5 million), and the pre-ets set aside (\$5 million) is \$76.5 million. BRS is not projecting a significant fiscal deficit for FFY17, however BRS does not have sufficient staffing capacity to serve all eligible individuals in FFY17.

BRS projects both a staffing and fiscal deficit for FFY18. Total funding available for FFY18 is currently the same as in FFY17, however a higher deficit is projected due to costs associated with the need to enhance staffing capacity. Additionally, costs will continue to increase as BRS works toward compliance of all new federal requirements under WIOA. To build staffing capacity and comply with federal requirements, and most importantly, serve all eligible VR consumers, in accordance with all standards for timeliness, an additional \$8 million in fiscal resources would be anticipated. Therefore, the projected deficit for FFY18 is \$8 million, in addition to a projected deficit of personnel resources.

## **B. THE SUPPORTED EMPLOYMENT PROGRAM; AND**

Please see response to section (2) (A) above.

### C. EACH PRIORITY CATEGORY, IF UNDER AN ORDER OF SELECTION;

In FFY17, the following number of individuals are projected to be served in each priority category.

- Priority category 1: 7974 (4169 individuals carry over from prior year + 3805 projected new applicants) Individuals with a Most Significant Disability (MSD) are projected to be served.
- Priority category 2: 4719 individuals with a Significant Disability (SD) are projected to be served.
- Priority category 3: 1347 individuals with a Non-Significant Disability (NSD) are projected to be served.

In FFY18, the following number of individuals are projected to be served in each priority category.

- Priority category 1: 8452 Individuals with a Most Significant Disability (MSD) are projected to be served. This number represents a projected 6% increase in consumers served in category 1 to account for anticipated growth in referrals.
- Priority category 2: 2359 individuals with a Significant Disability (SD) are projected to be served.
- Priority category 3: 269 individuals with a Non-Significant Disability (NSD) are projected to be served.

### 3. THE NUMBER OF INDIVIDUALS WHO ARE ELIGIBLE FOR VR SERVICES, BUT ARE NOT RECEIVING SUCH SERVICES DUE TO AN ORDER OF SELECTION; AND

Indiana anticipates issuing the order of selection on, or before, July 1, 2017, with just three months remaining in FFY17 (pending approval of the state plan amendment). Between July 1, 2017 and September 30, 2017, BRS anticipates that 1,145 eligible individuals will be unable to be served. As VR anticipates operating under an Order of Selection for the entire duration of FFY18, Indiana anticipates that approximately 3,500 eligible individuals will be unable to be served in FFY18.

### 4. THE COST OF SERVICES FOR THE NUMBER OF INDIVIDUALS ESTIMATED TO BE ELIGIBLE FOR SERVICES. IF UNDER AN ORDER OF SELECTION, IDENTIFY THE COST OF SERVICES FOR EACH PRIORITY CATEGORY.

The projected average cost per individual and total projected costs for client services in FFY2017:

Order of Selection Category	Projected Number to be Served	% of Total	Projected Number of Rehabilitations	Average Cost per individual	Projected Costs
1) Most Significant Disability (MSD)	7974	57%	4386	\$3,333	\$26,577,342
2) Significant Disability (SD)	*4719	34%	2595	\$3,191	\$15,056,748

3) Non-Significant Disability (NSD)	*1347	10%	943	\$2500	\$3,367,500
Total	14040		7924 (average time to achieve successful rehabilitation is 18 months from IPE)	\$3,205	\$45,001,590

\*Individuals in all priority categories who had an Individualized Plan for Employment (IPE) in place prior to the implementation of the order of selection will continue to be served once the order is implemented.

The projected average cost per individual and total projected costs for client services in FFY2018:

Order of Selection Category	Projected Number to be Served		Projected Number of Rehabilitations	Average Cost per individual	Projected Costs
1) Most Significant Disability (MSD)	8452	76%	4649	\$3,333	\$28,170,516
2) Significant Disability (SD)	*2359	21%	1298	\$3,191	\$7,527,569
3) Non-Significant Disability (NSD)	*269	2%	188	\$2500	\$672,500
Total	11,081		6135 (average time to achieve successful rehabilitation is 18 months from IPE)	\$3,282	\$36,370,585

\*Individuals in all priority categories who had an Individualized Plan for Employment (IPE) in place prior to the implementation of the order of selection, will continue to be served once the order is implemented.

## **M. ORDER OF SELECTION**

Describe:

### **1. WHETHER THE DESIGNATED STATE UNIT WILL IMPLEMENT AN ORDER OF SELECTION. IF SO, DESCRIBE:**

After thorough review and evaluation, BRS has determined that Indiana Vocational Rehabilitation (VR) must move to an Order of Selection for serving consumers. VR lacks sufficient resources to serve all eligible consumers, as further outlined below. This determination follows identification and implementation of numerous strategies to improve capacity over the past few years. Despite those efforts, VR continues to experience significant challenges in building and retaining adequate personnel resources to serve all eligible individuals, and meet expectations for timeliness and quality of service provision.

As such, Indiana VR anticipates that available and projected resources will not be adequate to ensure the provision of the full range of vocational rehabilitation services, as appropriate, to all eligible individuals in the federal fiscal year 2017 and federal fiscal year 2018.

VR anticipates that it will be necessary to close two of its three priority categories under the Order of Selection described below. Upon the projected implementation date of July 1, 2017, only individuals determined eligible and assigned to the MSD priority category will be served. This will continue until an evaluation, during the course of the year, indicates that the available personnel and fiscal resources will be adequate to provide services to all applicants and the full range of services to eligible individuals in an equitable and expeditious manner. Additionally, all individuals who had an IPE in place prior to implementation of the order, will continue to be served.

### **A. THE ORDER TO BE FOLLOWED IN SELECTING ELIGIBLE INDIVIDUALS TO BE PROVIDED VR SERVICES.**

Priority Categories:

Effective on, or before, July 1, 2017, individuals will be served in the following order of priority under the Order of Selection:

:

- Priority Category 1: Individuals determined to have a most significant disability (MSD);
- Priority Category 2: Individuals determined to have a significant disability (SD); and,
- Priority Category 3: All other eligible individuals (Individuals determined to have a non-significant disability (NSD)).

MSD: An individual who has a severe physical or mental impairment that seriously limits three or more functional capacities (communication, interpersonal skills, mobility, self-care, self-direction, work skills, or work tolerance) in terms of an employment outcome, requires multiple vocational rehabilitation services over an extended period of time, and has one or more physical or mental disabilities determined to cause comparable substantial functional limitation.

SD: An individual who has a severe physical or mental impairment that seriously limits one or more functional capacities (communication, interpersonal skills, mobility, self-care, self-direction, work skills, or work tolerance) in terms of an employment outcome and whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time.

NSD: All other VR eligible individuals.

Basis for Order of Selection – Prohibited Factors:

The Order of Selection shall not be based on any other factors, including:

- (1) Any duration of residency requirement, provided the individual is present in the State;
- (2) Type of disability;
- (3) Age, gender, race, color, or national origin;
- (4) Source of referral;
- (5) Type of expected employment outcome;
- (6) The need for specific services or anticipated cost of services required by an individual; or
- (7) The income level of an individual or an individual's family

## B. THE JUSTIFICATION FOR THE ORDER.

VR's available and projected resources will not be adequate to ensure the provision of the full range of vocational rehabilitation services, as appropriate, to all eligible individuals in federal fiscal years 2017, and 2018. VR is experiencing a deficit of staffing in FFY17, and a deficit of both staffing and fiscal resources is projected for FFY18. Challenges in regards to insufficient staffing resources include high VR Counselor caseloads, a poor VR Counselor retention rate, diminished capacity to serve a recent growth in new referrals, and other factors further detailed below. Furthermore, VR anticipates a projected fiscal deficit of approximately \$8 million for FFY18.

Total funding available in FFY17 for serving individuals in Title I (\$43.5 million) and VI-B (\$500,000), program income (\$1 million), administrative costs including personnel (\$26.5 million), and an increase in the pre-ets set aside (\$5 million) is \$76.5 million. Additional staffing would be necessary to provide the full range of services to all eligible individuals in an equitable and expeditious manner. The total funding available for FFY18 is currently the same as in FFY17, however a fiscal deficit is projected due to costs associated with enhancing staffing capacity to serve all eligible individuals, and cost increases resulting from VR working toward full compliance with new federal requirements under WIOA, including spending 15% of Title I federal funds on pre-employment transition services and contributing to the operation costs of the Department of Workforce Development (DWD) WorkOne centers through infrastructure funding agreements. The anticipated projected deficit for FFY18 is \$8 million. Therefore, a budget of approximately \$84.5 million would be needed in FFY18 to serve all eligible individuals, which is at minimum 15,547, but will likely be an increased number of eligible individuals due to an increase in the number of referrals.

The current ratio of a seasoned VR Counselor (those staff who have completed their training, are out of new-hire probationary status, and are independently managing a caseload and taking applications from new referrals) to consumers is 1:148. BRS believes that a counselor-consumer ratio of no more than 1:100 is optimal to maintain efficient caseload management and high quality services. VR would need additional VR Counselors to work toward this optimal ratio. As the number of applications and eligible consumers continue to rise, the number of staff needed to meet consumer needs will increase as well.

Staff retention of VR Counselors has been a major concern for VR over the past few years. In recent years, the turnover rate for all VR field positions has been 41%, with turnover of 56% for VR Counselor positions. This turnover has been a major contributing factor to BRS' diminished capacity

to serve all individuals seeking VR services, and the inability to serve consumers already in the system in a timely manner. Additional data outlining retention challenges is as follows:

- Out of 170 current VR Counselors positions:
  - 59 are filled with staff who have been employed with BRS more than 5 years, representing only 35% of staff.
  - 87 are filled with staff have been employed with VR more than 2 years, which is 51% of staff.
  - 83 are either vacant or are filled with staff who have less than two years on the job, many of whom are still in the learning curve and in probationary status. This represents 49% of staff.

VR has investigated likely causes of the increased turnover. The two most common reasons reported when a staff member resigns are the overwhelming work load, and the salary for the type of work VR Counselors perform and required qualifications. There are several factors that likely contribute to the overwhelming and dissatisfied experiences that VR Counselors report, including high caseload sizes and the breadth and depth of the case work. Additionally, during periods of time where vacant clerical and support staff positions go unfilled, VR Counselors must absorb those additional tasks, further reducing their ability to provide high quality counseling and guidance to consumers.

VR Staffing capacity has been further diminished over the past two years by a 6% increase in referrals from 2014 to 2016. BRS expects a further increase in referrals over the next few years due to new federal requirements such as pre-employment transition services and limitations on sub-minimum wage employment, which will result in more individuals, especially youth with disabilities, applying for VR services. In fact, referrals for FFY17 as of March 1, 2017 (five months into the year), already exceed 8,000 individuals, and BRS anticipates at least a 10% increase in referrals over the next year or two.

- 2016 Referrals           13,531
- 2015 Referrals           13,671
- 2014 Referrals           12,813

Recruitment of qualified individuals to be a VR Counselor is also a significant challenge. Indiana continues to have only one university offering a graduate program in Rehabilitation Counseling, which graduates 5-10 students annually.

Obtaining additional VR Counselor and other field staff positions is needed to help address this challenge, however it is important to understand that this provides only a partial solution. BRS must also address issues related to low retention rates of VR Counselors and recruitment challenges. Furthermore, BRS must take into account the lengthy learning curve for new hires. Due to the broad scope of knowledge and skills required for the VR Counselor role, and dependent on the specific background and experience of the staff member, it takes newly hired VR Counselors anywhere from 6-18 months to learn all aspects of the job. New VR Counselor training in a mobile environment adds further challenge as staff are expected to work very independently and have reduced access to co-workers, compared to the office-based approach that existed prior to 2009. Newly hired staff typically work under very close Supervision and do not independently manage their caseloads or take a full schedule of new applications for 6-12 months after their hire date.

BRS has experienced insufficient staffing resources for the last couple of years, and has been diligent in implementing numerous strategies to work toward increasing capacity and improving service provision. Some of those strategies are outlined below:

- BRS hired additional support staff to assist with billing, follow up on medical records, data entry into the VR Case Management system, and other administrative and case management related tasks that were often falling on the VR Counselors in prior years.
- Modifying VR Counselor qualifications in light of the modified CSPD criteria under WIOA. BRS has historically struggled with obtaining and retaining staff with a Master's degree in Rehabilitation or related area. By expanding VR Counselor qualifications to include individuals with a Bachelor's degree in Rehabilitation or a related area, plus one year of relevant experience, BRS has been able to broaden the talent pool. BRS will also be evaluating whether this modification in hiring criteria has any impact on staff retention.
- VR shifted 7 VR Counselor staff to a 'Working Lead' role to help mentor newly hired VR Counselors in field offices that experience a high percent of new staff. These Working Leads have been very effective, however BRS has recognized that several additional Working Lead positions are necessary to truly meet the needs.
- BRS has piloted a new strategy in one-third of field offices to evaluate whether efficiencies can be gained by having designated VR Counselor staff take all new consumer applications and make all eligibility and severity determinations. Early results from the pilot indicate that efficiency is gained through this model, and BRS anticipates that consistency in severity determinations will also be enhanced by having VR Counselors specialize in this area.
- BRS created a Program Initiatives Director who consults with staff regarding Small Business Enterprise, Home Modifications, Farm Modifications, and Vehicle Modifications. This individual serves as a subject matter expert for the VR Counselors when they have cases that involve these very difficult specialty services. These cases are often very time consuming for VR Counselors, and BRS has been able to offset some of that time with the addition of this new staff position.
- BRS is reviewing field office coverage areas on a regular and routine basis, and shifts counties and staff as appropriate to level caseload sizes across offices.
- BRS has continued to implement several, small improvements to the VR Case Management system to gain efficiencies where possible.

With the addition of new federal requirements under WIOA, BRS is forecasting an annual budget deficit starting with federal fiscal year 2018. While the VR Federal grant provides sufficient resources to Indiana, BRS is unable to draw all federal funds due to insufficient non-federal match dollars. BRS does not have sufficient funds to increase staffing and be compliant with new requirements under WIOA, including earmarking 15% of federal funds for pre-employment transition services, implementation of career counseling and information and referral services to over 4,000 individuals employed at sub-minimum wage, and participating in infrastructure funding agreements to support the operation of One Stop locations throughout the state. BRS is prepared to shift resources from other budgeted areas in order to work toward compliance with these new federal requirements, however even with the initiatives outlined below, a budget gap of approximately \$8 million is still anticipated, starting in FFY18. Some examples of cost savings efforts are outlined below:

- BRS has been supporting an antiquated case management system that has been in need of replacement for the past several years. Though there is an initial added cost to implement a new system, there is a significant cost savings of about \$800,000 per year that VR will begin to recognize in 2019, as the long term support of the new system is significantly less costly than the current system. BRS also expects to gain efficiency with staff time which will allow VR Counselors to better serve consumers, and allow BRS to recognize additional cost savings. Furthermore, more of the required federal reporting will be automated in the new system, freeing up additional resources.
- Although training is incredibly important, BRS has prioritized trainings and will reduce training costs beginning in FFY17. The majority of training will be conducted internally and will focus

on services to individuals with the most significant disabilities, which is the primary population that will be served under the Order of Selection. Over the past several years, BRS has increased use of webinars and 'train-the-trainer' style events to reduce costs of training.

- BRS does not support uncompensated employment outcomes as required under WIOA. Elimination of uncompensated employment outcomes is projected to result in savings of around \$1 million annually.
- BRS is reviewing other contractual agreements to determine if there are savings to recognize, however BRS has already eliminated non-essential contractual agreements over the past few years.
- BRS continues to review service rates to determine if there are additional savings to realize, however BRS has re-negotiated service rates for many different types of services over the past several years, and therefore further opportunities for savings are likely minimal. As a result of cost containment efforts, BRS continues to recognize a reduced spend on client services. These previous efforts included the purchase of hearing aids and devices at manufacturer rates, paying for medical services and devices at Indiana Medicaid rates, purchasing interpreter services through a single coordinating unit to reduce spend on travel, and implementation of a calculator to ensure consistency in maximizing other resources for post-secondary costs prior to utilizing VR dollars.
- BRS is investigating the potential impact of implementing financial participation policies for consumers, in line with federal requirements.
- BRS is exploring the use of Third Party Cooperative Arrangements with state and local public agencies for the provision of pre-ets. BRS is seeking technical assistance in this area at the present time.

In summary, while many strategies have been implemented to improve staffing capacity, those strategies were insufficient to gain anything more than a temporary improvement. With the ongoing staffing capacity challenges and increase in referrals, as well as projected budget shortfall beginning in FFY18, BRS must begin to operate under an Order of Selection.

### C. THE SERVICE AND OUTCOME GOALS.

VR will continue to serve all consumers who were receiving services under an approved IPE prior to implementation of the Order of Selection. Based on a statewide caseload snapshot of individuals who had an approved IPE in January, 2017, the number of individuals projected to be served in each priority category, as well as the number of individuals projected to achieve their vocational outcomes are as follows:

- Priority category 1: 7974 (4169 individuals carry over from prior year + 3805 new applicants) Individuals with a Most Significant Disability (MSD) are projected to be served.
  - 4386 individuals with a MSD will achieve their employment goals
- Priority category 2: 4719 individuals with a Significant Disability (SD) are projected to be served. This number represents individuals who had an IPE in place prior to implementation of the Order of Selection.
  - 2595 individuals with a SD will achieve their employment goals
- Priority category 3: 1347 individuals with a Non-Significant Disability (NSD) are projected to be served. This number represents individuals who had an IPE in place prior to implementation of the Order of Selection.

- 943 individuals with a NSD will achieve their employment goals

The table in section D further illustrates this data. Both FFY17 and FFY18 projections are included under Section D.

**D. THE TIME WITHIN WHICH THESE GOALS MAY BE ACHIEVED FOR INDIVIDUALS IN EACH PRIORITY CATEGORY WITHIN THE ORDER.**

- 4386 individuals with a MSD will achieve their employment goals, with the average time between IPE development (status 12) and successful closure (status 26) = 593 days
- 2595 individuals with a SD will achieve their employment goals, with the average time between IPE development (status 12) and successful closure (status 26) = 649 days
- 943 individuals with a NSD will achieve their employment goals, with the average time between IPE development (status 12) and successful closure (status 26) = 227 days

Projections for FY 2017:

Order of Selection Category	Projected Number to be Served	Projected Percentage of total rehabilitations	Projected Number of Rehabilitations
1) Most Significant Disability (MSD)	7974	55%	4386
2) Significant Disability (SD)	4719	55%	2595
3) Non-Significant Disability (NSD)	1347	70%	943
Total	14,040		*7924

\* The number of rehabilitation figures above do not reflect the number of placements in one FFY, as the average time to achieve successful rehabilitation is 18 months from IPE (and an average of 22 months from application).

Projections for FY 2018:

Order of Selection Category	Projected Number to be Served	Projected Percentage of total rehabilitations	Projected Number of Rehabilitations
1) Most Significant Disability (MSD)	8452	55%	4386
2) Significant Disability (SD)	2359	55%	1298
3) Non-Significant Disability (NSD)	269	70%	188
Total	11,081		*5872

\* The number of rehabilitation figures above do not reflect the number of placements in one FFY, as the average time to achieve successful rehabilitation is 18 months from IPE (and an average of 22 months from application).

## **E. HOW INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES ARE SELECTED FOR SERVICES BEFORE ALL OTHER INDIVIDUALS WITH DISABILITIES; AND**

VR will continue to process referrals, complete application/intake, and determine eligibility and severity determination for all new referrals. Individuals who are determined to be an individual with a MSD (Priority category 1) will be prioritized for services. BRS estimates that 3,805 new consumers who are MSD will be prioritized for services after July 1, 2017. Individuals in the other severity determination categories will be placed on a deferred services list, and will be served according to application date as sufficient resources become available.

1. VR will continue to take all referrals and schedule individuals for intake appointments, per federal requirements.
2. VR Counselors will see the consumer for their intake appointment and will determine eligibility and severity for the consumer, per federal requirements.
3. Eligible individuals who are MSD will jointly develop the IPE with the VR Counselor, and necessary services will be implemented. Individuals who are SD and NSD will be deferred for services.
4. As sufficient resources become available to serve individuals who were deferred for services, BRS will assign individuals coming off of the deferred list to the appropriate VR Office and VR Counselor. Individuals in priority category 2, SD, will be the first individuals to come off of the deferred list, based on earliest application date, and in accordance with federal requirements.
5. Once the case is distributed to the appropriate office/VR Counselor, the VR Counselor will create a service plan with the individual and commence implementation of necessary services.

Implementing the Order of Selection is expected to increase focus on services to individuals with a MSD. As this population will become the largest population of individuals receiving VR services, BRS has and will continue to align training initiatives to focus on improving the quality of services to this population. Additionally, opportunity for further collaboration with other WIOA core partners may also be enhanced. BRS has been in communication with core WIOA partners at the Department of Workforce Development (DWD) regarding strategies to enhance access to WorkOne services by individuals with disabilities who may be unable to receive services from VR. Furthermore, BRS continues to invest in pre-employment transition services which are available to students with disabilities, age 14-22, who are either eligible or potentially eligible for VR services. Through pre-employment transition services activities, students will also be educated about resources to assist them in pursuing their post-secondary training and employment goals.

## **2. IF THE DESIGNATED STATE UNIT HAS ELECTED TO SERVE ELIGIBLE INDIVIDUALS, REGARDLESS OF ANY ESTABLISHED ORDER OF SELECTION, WHO REQUIRE SPECIFIC SERVICES OR EQUIPMENT TO MAINTAIN EMPLOYMENT.**

BRS does not have sufficient resources to serve eligible individuals who are SD or NSD who require specific services or equipment to maintain employment, with the exception of providing specific services or equipment for individuals in post-employment services. Post-employment services are limited to individuals who had previously achieved a successful employment

outcome and require additional services to maintain, re-enter, or advance in employment and are of limited scope and duration. BRS will be sharing relevant resources with individuals unable to be served by VR who are in need of assistance to obtain or maintain employment, such as facilitating a referral to the local WorkOne.