



Where your future begins

**STATE PLAN AMENDMENT FOR VOCATIONAL REHABILITATION (VR) SERVICES
ORDER OF SELECTION PUBLIC MEETING**

**10:00 A.M. (CST), Friday, November 3, 2017
VOCATIONAL REHABILITATION SERVICES OFFICE
3901 N. 27th Street, Suite 6, Lincoln, NE**

Attend by videoconference at the following Vocational Rehabilitation Offices

**Columbus — 3100 23rd Street, Suite 5
Fremont — 827 North D Street
Grand Island — 203 E. Stolley Park Road, Suite B
Kearney — 315 W. 60th Street, Suite 400
Norfolk — 1212 Benjamin Ave.
North Platte — 200 South Silber, Bldg, 2,
Omaha — 1313 Farnam on the Mall
Omaha — 12011 Q Street
Scottsbluff — 505A Broadway, Suite 500**

Nebraska VR is conducting a public meeting on an amendment to the Vocational Rehabilitation State Plan. The public meeting is an opportunity for members of the public, including individuals with disabilities, to comment on the policies and procedures of the VR agency.

The State Plan draft amendment is available for review on the website for Nebraska VR, vr.nebraska.gov, and at each Vocational Rehabilitation Office. Interested parties are invited to attend and to make comment. If reasonable accommodations are needed for the public meeting at any of the sites, please contact Vocational Rehabilitation at 402-471-3649 at least five (5) days before the public meeting date.

Interested parties may also submit written comments by e-mail to victoria.rasmussen@nebraska.gov or by mail to:

Victoria Rasmussen, Program Director
Nebraska VR
P.O. Box 94987
Lincoln, NE 68509-4987

Comments received by the close of the public meeting on Friday, November 3, 2017 will be made part of the public meeting record.

(3) THE NUMBER OF INDIVIDUALS WHO ARE ELIGIBLE FOR VR SERVICES, BUT NOT RECEIVING SUCH SERVICES DUE TO AN ORDER OF SELECTION; AND (4) THE COST OF SERVICES FOR THE NUMBER OF INDIVIDUALS ESTIMATED TO BE ELIGIBLE FOR SERVICES. IF UNDER AND ORDER OF SELECTION, IDENTIFY THE COST OF SERVICES FOR EACH CATEGORY.

Individuals eligible but not receiving services

Under the Order of Selection, Nebraska VR will continue to provide services to all individuals who are already receiving services under an approved Individualized Plan for Employment IPE prior to final approval of the Order of Selection by RSA and implementation by Nebraska VR. The projected number of individuals not receiving services and the estimated cost for services (projected savings) is:

Category 2: 1,158 individuals, with 475 individuals projected to require cost services at an average cost of \$1,739 with a projected savings of \$826,090.

Category 3: 581 individuals, with 233 individuals projected to require cost services at an average cost of \$1,739 with a projected savings of \$405,219.

Total projected savings: \$1,231,309.

Projected cost of services for individuals eligible (in Category 1 and Category 1,2 and 3 with current plans projected to require an expenditure in the current fiscal year):

Projected New Cases FY 18

Category 1: 2,131 individuals, with 886 individuals projected to require cost services at an average cost of \$1,739 for a projected total of \$1,461,539.

Category 2: 24 individuals projected to require cost services at an average cost of \$1,739 for a projected total of \$41,739.

Category 3: 10 individuals projected to require cost services at an average cost of \$1,739 for a projected total of \$17,391.

	Project Number of Individuals	Projected Expenditures
<i>Category 1</i>		
FY 14	43	\$109,039
FY15	90	\$169,947
FY16	233	\$489,105
FY17	685	\$1,586,451
Total Category 1	1052	\$2,354,542

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	Project Number of Individuals	Projected Expenditures
Category 2		
FY 14	32	\$60,827
FY15	60	\$102,321
FY16	94	\$159,638
FY17	251	\$385,073
Total Category 2	437	\$707,859

	Project Number of Individuals	Projected Expenditures
Category 3		
FY 14	45	\$85,959
FY15	91	\$155,733
FY16	161	\$229,665
FY17	187	\$290,302
Total Category 3	484	\$761,659

Total All Categories	1489	\$3,824,060
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The total projected number of individuals to be served in FY 18 is 2,165 new cases and 1,489 carryover cases for a total of 3,654 individuals requiring \$5,344,730 in case service expenditures.

(m) Order of Selection Describe: (1) The order to be followed in selecting eligible individuals to be provided VR services. (2) The justification for the order. (3) The service and outcome goals. (4) The time within which these goals may be achieved for individuals in each priority category within the order. (5) How individuals with the most significant disabilities are selected for services before all other individuals with disabilities; and (6) 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 main employment.

The order to be served

Individuals applying for services in FY 2018 will be assessed and their eligibility determined along with their priority category. Eligible client's names will be placed on a waiting list if assigned to a closed priority category. When financial resources are available, first priority will be given to clients determined most significantly disabled, second priority to those determined significantly disabled and third priority to those determined non-significantly disabled. Rationale for priority category placement will appear in the client's case file.

Each client will be notified in writing of all the priority categories, his/her assignment to a priority category, if priority category is open or closed, an individual's priority assignment can be re-evaluated when new or additional information becomes available affecting the individual's functional limitation, his/her right to appeal the category assignment through informal or formal review and of the availability of assistance from the Client Assistance Program.

Clients who do not meet the Order of Selection criteria for receiving VR services will be provided:

- a. VR information and guidance (which may include counseling and referral for job placement) using appropriate modes of communication to assist them in preparing for, securing, retaining/regaining or advancing in employment.
- b. Referred to other appropriate Federal and State programs, including programs carried out by other components of the Statewide Workforce Investment System, best suited to address the specific employment needs of the individual along with information identifying a specific point of contact within the agency.

All funding arrangements for providing services shall be consistent with the Order of Selection. If any funding arrangements are inconsistent with the Order of Selection, Nebraska VR shall renegotiate these funding arrangements so they are consistent with the Order of Selection.

Staff training on Order of Selection was completed during the week of October 30, 2017 and will be reviewed in six months.

Overview of the training includes:

Procedure for processing applications:

1. Upon receipt of referral, specialist meets with applicant to complete application and inform them about OOS.
2. Specialist will input data and application date; and determine eligibility within 60 days from the date of application.

3. After eligibility determinations are made, clients will be assigned to an order of selection priority category based on their functional limitations and need for VR services over an extended period of time.

4. Client's name will be put on a waiting list if placed in a closed priority category. Priority Group letter will be sent to all new clients.

Procedure for putting clients on the waitlist:

1. For each closed priority category, clients will be put on the waiting list based upon application date.

2. Administrative Office will be responsible to maintain the waiting list.

Procedure for taking clients off the waiting list:

1. Administrative Office will determine when to open or close a priority category based upon NEVR's financial and personnel resources ~~availability~~. One priority category will be opened at a time to clear the waiting list for that priority category before opening the next priority category.

2. A waiting list will be generated each month and based on ~~financial~~ the availability of resources, the Administrative Office will determine approximately how many clients will be taken off the waiting list for the recently opened priority category based on the date the individual applied for services.

3. The monthly waiting list will be sent to the office directors with the names of clients who will be taken off the waiting list.

4. The office director will make sure the clients are assigned to specialists and contacted through appropriate modes of communication and next actions explained.

5. Specialists will complete the IPE within 90 days from the date the client was taken off the waiting list.

Pre-Employment Transition Services

- Students who are considered "potentially eligible" for VR services will receive pre-employment transition services regardless of the Order of Selection, and are served when a signed Pre-employment Transition Consent and Release is in place.
- Students with disabilities who apply for VR services and who began receiving pre-employment transition services prior to applying for and being determined eligible, will continue to have access to pre-employment transition services even if their priority group closed.
(Cannot receive any individualized VR services until priority group is being served and they come off the waiting list)

- Any student with a disability that has applied for VR services who is not yet participating in pre-employment transition services when the eligibility determination is made, and who is placed in a closed priority group will be served when funding is sufficient, by the date the application is signed by the client. (Cannot receive pre-employment transition services)
- Any student with a disability who is determined eligible for VR services and placed in an open priority group can receive the full range of services offered through VR, including pre-employment transition services and individualized VR services.

Justification for the order

1. Required 15% for Pre-Employment Transition Services

The Workforce Innovation and Opportunity Act (WIOA) of 2014 mandated State VR Agencies to set aside 15% of VR funds each year (approximately \$2.5 million) for Pre-Employment Transition Services. This new fiscal requirement placed an additional burden on expenditures in all other areas of operating the VR Program. The Pre-ETS expenditures are:

- FFY 2015: \$230,731
- FFY 2016: \$2,538,994
- FFY 2017: \$2,376,036

2. Reduction in Federal Funds

The amount of federal funds received by Nebraska VR since 2015 has decreased, as shown below. In federal fiscal year 2017 Nebraska VR was not re-allotted federal funds at the MOE level, resulting in a \$1,300,000 reduction in anticipated federal funds. Our projected FY 2018 Title I federal grant funds of \$16,377,033 and matching non-federal funds of approximately \$4,690,697 (MOE) for basic vocational rehabilitation services will not be sufficient to cover the cost of services mandated under WIOA and required to be provided to individuals who are eligible for planned services.

- FFY 2015 \$17,139,610
- FFY 2016 \$16,926,628
- FFY 2017 \$15,840,244

3. Increase in Referrals for Services and Increase in Personnel to Meet the Need

Since federal fiscal year 2015, Nebraska VR has experienced an increase in referrals to the program.

- FFY 2015 4,306
- FFY 2016 7,262
- FFY 2017 11,319

In order to serve the increased number of individuals coming into the program and an increased emphasis on business relations, and due to Nebraska VR providing pre-employment transition services and vocational rehabilitation services by Nebraska VR staff, personnel were added to handle the increasing demand. Personnel costs have increased as follows:

- FFY 2015: \$11,826,917
- FFY 2016: \$12,590,458

- FFY 2017: \$13,604,800

Note: In addition to implementing an order of selection and closing two priority categories, Nebraska VR will reduce personnel costs through a hiring freeze and not replacing positions that become vacant over the next year.

4. Reduction in Carryover Funds Available

To date, Nebraska VR has been able to cover the increase in expenditures with its Federal and State appropriation and by utilizing carryover funds from the previous fiscal year. However, as expenditures increased, federal funds decreased, and funds were shifted to cover the required 15% of Pre-Employment Transition Services, the amount of carryover funds for planned services has been reduced.

- FFY 2015 \$4,163,646
- FFY 2016 \$2,622,004
- FFY 2017 \$2,303,037 estimate

At the close of FFY 2017, Nebraska VR estimates any remaining FFY 2017 carryover funds (\$2,303,037 estimate) will be restricted to meet the 15 percent Pre-Employment Transition Services reserve and would not be available for general services.

5. Increase in Nebraska Department of Education Indirect Cost Rate

NDE has received a new Indirect Cost Rate Agreement effective July 1, 2017 with the U.S. Department of Education. The agreement is for the period July 1, 2017 through June 30, 2020. The new unrestricted Indirect Cost Rate is 13%. This is approximately a 50% increase from the previous indirect cost rate and is estimated to increase the charge to Nebraska VR by \$558,000 in FFY 2018.

Nebraska’s combined available funds in FY2018 are projected to be only \$21,067,730 million. Projected expenditures of \$25,800,00 (at last year’s pace) would leave a deficit of approximately \$4,732,270. As a result, Nebraska VR will be unable to provide the full range of services to all eligible individuals for FFY 2018 and needs to implement an Order of Selection as soon as possible for the continuation of services to all individuals currently under an IPE and receiving services.

Service and outcome goals

In the implementation of the Order of Selection, Nebraska VR will continue to provide services to all individuals who are already receiving services under an approved Individualized Plan for Employment (IPE) and any open priority categories. Statewide, Nebraska VR The total projected number of individuals to be served in FY 18 is 2,165 new cases and 1,489 carryover cases for a total of 3,654 individuals requiring \$5,344,730 in case service expenditures.

The following tables depict the number of new cases for FY 13 through FY 18 to date for Priority Categories 1, 2, and 3. The tables reflect the number of cases expected to have an expenditure in the year of eligibility and subsequent years of service. Less than half of new cases have an expenditure the first year and even fewer the second year and substantially less after that. The tables were used to formulate the projections for number of individuals to be served and the projected case service expenditures for FY 2018.

Priority 1

	New Cases	FY 2013 Payments		FY 2014 Payments		FY 2015 Payments		FY 2016 Payments		FY 2017 Payments		FY 2018 Payments	
		Count	Spending	Count	Spending	Count	Spending	Count	Spending	Count	Spending	Count	Spending
FY 2013	1639	515	\$525,960	425	\$467,167	190	\$353,385	75	\$132,711	38	\$96,211	0	\$0
FY 2014	1881			621	\$591,028	644	\$1,438,786	205	\$351,388	85	\$160,549	6	\$8,210
FY 2015	2129					894	\$1,691,422	676	\$1,919,837	217	\$454,794	10	\$5,265
FY 2016	2327							940	\$1,778,343	727	\$1,683,142	22	\$12,867
FY 2017	2131									886	\$1,461,539	65	\$135,288
FY 2018	60											4	\$1,120

Priority 2

	New Cases	FY 2013 Payments		FY 2014 Payments		FY 2015 Payments		FY 2016 Payments		FY 2017 Payments		FY 2018 Payments	
		Count	Spending	Count	Spending	Count	Spending	Count	Spending	Count	Spending	Count	Spending
FY 2013	1383	502	\$501,012	332	\$416,735	97	\$170,022	51	\$96,137	29	\$74,633	2	\$2,236
FY 2014	1431			464	\$437,598	347	\$576,316	133	\$191,869	56	\$85,812	2	\$1,244
FY 2015	1739					691	\$526,717	491	\$697,422	142	\$241,176	10	\$4,471
FY 2016	1531							614	\$682,026	325	\$497,758	21	\$7,048
FY 2017	1158									475	\$661,224	39	\$134,916
FY 2018	24											2	\$230.45

Priority 3

	New Cases	FY 2013 Payments		FY 2014 Payments		FY 2015 Payments		FY 2016 Payments		FY 2017 Payments		FY 2018 Payments	
		Count	Spending	Count	Spending	Count	Spending	Count	Spending	Count	Spending	Count	Spending
FY 2013	1553	503	\$434,447	370	\$472,520	162	\$251,355	91	\$155,255	45	\$85,959	6	\$5,102
FY 2014	1525			448	\$334,703	344	\$505,701	176	\$259,001	91	\$155,733	3	\$1,488
FY 2015	1269					375	\$336,670	298	\$386,698	176	\$250,697	8	\$2,767
FY 2016	1015							340	\$372,211	273	\$423,616	13	\$8,433
FY 2017	581									233	\$272,399	20	\$12,565
FY 2018	7											3	\$5,403

Timeline to achieve goals

Application to close successful	FY 16	FY 17
Priority 1	441	453
Priority 2	463	557
Priority 3	619	655

Application to close unsuccessful (days)	FY 16	FY 17
Priority Category 1	341	416
Priority Category 2	368	417
Priority Category 3	495	600

Plan to close successful (days)	FY 16	FY 17
Priority Category 1	356	362
Priority Category 2	390	470
Priority Category 3	476	522

Plan to close unsuccessful (days)	FY 16	FY 17
Priority Category 1	432	501
Priority Category 2	502	487
Priority Category 3	487	607

The average number of days relative to services and closure supports the finding that most expenditures occur within the first two years after application and determination of eligibility.

How individuals with the most significant disabilities are selected

Nebraska VR anticipates it will be necessary to close one or more priority categories under the Order of Selection (OOS. All current clients will be notified in writing of all the priority categories, his/her assignment to a priority category, if priority category is open or closed, individual's priority assignment can be re-evaluated when new or additional information becomes available affecting the individual's functional limitation, his/her right to appeal the category assignment through informal or formal review and of the availability of assistance from the Client Assistance Program.

New clients determined eligible and current clients not under an IPE who are assigned to a closed priority category at the time of implementation of the order of selection, will be placed on a waiting list until the resources are available to provide the full range of services. However, services will continue for all clients who are already receiving services under an approved Individualized Plan for Employment prior to the implementation of the order of selection.

Priority Category 1 (Individuals with Most Significant Disabilities) will be served first;

Priority Category 2 (Individuals with Significant Disabilities) will be served second; and

Priority Category 3 (Individuals with Non-Significant Disabilities) will be served third.

Descriptions of Priority categories:

- Priority Category 1: Clients determined to have a most significant disability. These are clients with severe physical or mental impairments that seriously limit two (2) or more functional capacities and who require multiple services over an extended period of time.
- Priority Category 2: Clients determined to have a significant disability. These are clients with severe physical or mental impairments that seriously limit one (1) or more functional capacities and who require multiple VR services over an extended period of time.
- Priority Category 3: Clients determined to have a non-significant disability. All other VR eligible clients.

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

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

Election to serve individuals who require specific services or equipment to maintain employment

Exceptions to Policy on Order of Selection:

Nebraska VR elects to serve individuals who require specific services or equipment to maintain employment regardless of their priority category. Priority will be given to individuals currently working but would almost certainly lose his or her current job if not provided specific services or equipment in the very near future that would enable him or her to retain that employment.

- a. An IPE can be developed and the services required can be provided immediately.
- b. VR services can only be provided to maintain the current employment.
- c. The client is not eligible for post-employment services.
- d. The case record must document communication from the employer stating the employee is at immediate risk of losing their job.

e. The client is not required to disclose the disability to the employer.

f. The client requires only specific services or equipment that will keep the consumer in his/her current job.

Note 1: This exemption does not apply to those losing jobs because the employer is going out of business, eliminating the job, or for other business-related decisions. **Note 2:** This exemption does not apply to clients who are underemployed or seeking to maximize their employment. **Note 3:** This exemption does not apply to those who are seeking to change employer