

**State Rehabilitation Council (SRC)**

**January 28, 2015**

**9:00 a.m. to 12:00 p.m.**

**MINUTES**

**Utah State Board of Education  
Main Conference Room**

**Conference calls: 1-877-820-7831 269450#**

**Next Meeting: Wednesday, February 25, 2015**

PRESENT:	Kelly Boehmer	Sharon Brand	Ron Campbell
	Jan Quinn Carter	Robyn Chidester	Ken Gourdin
	James Harvey	Karim Mardanlou	Lester Ruesch
	Sandy Terry		
PHONE:	W. Kent McGregor	Merina Pope	Amy Powell
	Paula Seanez	Tammy Wood	
EXCUSED:	Susan Loving	Melissa Freigang	Deja Powell
	Jim Sterzer	Amberley Snyder	Rylee Williams
	John Woeste		
USOR Staff	Russ Thelin	Kyle Walker	Aaron Thompson
	Emily Stirling	Eric Roux	Debbie Davis
	Jennifer Roth	Jeff Young	Ginny Henderscheid
GUESTS:	Laura Lee Gillespie, DLC	Kris Fawson, USILC	Charles Lovatt, proxy
	Interpreters	Ralph Glather	for Melissa Freigang

**WELCOME/MISSION STATEMENT**

Sharon Brand, Chair, welcomed Council members and called the meeting to order at 9:04 a.m. Sharon confirmed attendance via teleconference call in. The mission statement was read by SRC Secretary, Ken Gourdin.

**APPROVAL OF MINUTES**

Sharon requested any amendments or corrections to the November and December 2014 minutes as presented to the Council. A correction was made to insert Merina Pope as attending by phone at the November meeting. No other corrections were given.

**MOTION:** W. Kent McGregor made the motion to approve the November and December 2014 minutes. Paula Seanez seconded the motion. All were in favor. None opposed.

**EXECUTIVE UPDATE**

**RUSS THELIN**

Russ reported on the meeting of the Social Service Appropriations Subcommittee of the Utah Legislative session. He reported typically, each year the Legislature gives agencies 100% base budgets, but that this year USOR and other state agencies were asked to respond to the Subcommittee on how each agency would manage if they were given a 2% cut on their budgets. Russ reported that USOR's response would be to taking the 2% cut proportionally within the four divisions, go on Order Of Selection (OOS), and make additional FTE, and client service reductions. It was also explained that the cut would cause a prolonged wait list upon opening the categories on the OOS.

Russ spoke on the fiscal situation the agency was currently dealing with and reported the circumstances were realized in late 2014 with impact beginning 2015. While USOR has budgeted to keep offices open and basic staff in place, in order to be able to continue serving clients up to June 30th, USOR had to request supplemental funds (a one-time funding) of \$6.3 million. It was noted if the funds were not approved, USOR paid services would end this March. It was also mentioned an additional building block of \$168,000 for next year will be requested to start July 1, 2015. It is undetermined if USOR will receive this funding due to the request for supplemental funding. There was a discussion about what would happen if the supplemental request of \$6.3 million was not approved and how USOR got into this situation.

Russ gave a report on "How did we REALLY get here?" He reported on how the VR program had been running for the past 5 years and stated that since coming into the directorship last year, it was realized that USOR needed to "fix" and change things to be able to keep serving individuals with disabilities for the future. USOR realized a trend was happening and that the agency could not continue to "fly" as before. Financially, it could not keep up with the significant increase in the total number of clients served with the limited resources to meet the increased demands. It was explained this was due to inflation in the cost of paid services, the inability to maintain/increase the number of VR staff and administration costs versus client service budget.

Explanation continued by stating that changes started December 2013 with several implementations such as the placement of a dedicated USOR Internal Auditor, a USOR Based Budget Compliance Specialist, a USOR budget analysis/review for E.D. at Administrative Services, a divisional budget responsibility at director level, and implementing fiscal reports with monthly updates, and a new fiscal communication realignment.

To further explain the fiscal situation, a PowerPoint was presented to the Council with data that was compiled on clients served, cost per client, revenue sources and Federal allocations from 2007-2014. In 2007, 20,000 clients were served, with 28,515 in 2010. It gradually climbed towards 30,000 in 2013. Russ noted this was a 50% growth in clients served, since 2007. Last year, 2014 data showed 29,679 total clients served.

The revenue per client data showed a total of \$1,799 spent in 2007, descending to \$1,483 in 2012. A slight climb in the amount of revenue per client spent during 2014 resulted in a total amount of \$1,651.00. It was noted that the cost per client has never rebounded since 2007. The next data showed USOR's revenue sources received from the Federal reallocation, ARRA Stimulus, State and Federal funds. The data indicated that from 2010-2014, USOR requested one-time Federal re-allocation monies to be able to continue to serve the increased numbers of individuals. Russ added that the re-allocation monies are not true ongoing revenue; however,

they were relied on during these times to fill in the gaps. This year's fiscal situation revealed that there were not enough human or financial resources to serve everyone and to continue operating the VR program, which explains the supplemental request and the need to implement OOS.

Jennifer Roth, Fiscal Analyst & Program Evaluator distributed and reported on a one page copy of "USOR Possible Budget Scenarios." Three assumed scenarios were shown from State Fiscal Year 2015 to State Fiscal Year 2018. The first scenario is that USOR receives the full State Supplemental of \$6.3 million/full Maintenance of Effort (MOE) Waiver/and Federal Reallocation, noting that if USOR received all this funding, USOR's issues would be resolved. The second scenario showed partial State Supplemental/partial MOE Waiver and Federal Reallocation with the assumption that if there were partial state supplemental received of only five million, paid services would come to an end by the first of May/June 2015. However, it was mentioned that on July 1, USOR would come into additional funding. The third scenario showed no State Supplemental/no MOE Waiver and no Federal Reallocation with no supplemental received. In this scenario paid services would come to an abrupt end by March, 2015.

Russ explained with the anticipated OOS changes, the reality is that USOR will not pay for services (for a time) except those currently in plan, but anticipates the opportunity this presents going forward for resetting the VR core by giving meaningful service of counseling, guidance, assessment, (that is supplemented by paid services) to move USOR's clients towards success. Council members stated their viewpoints and expressed their awareness of the present situation, but they also wanted it to be recognized that an OOS might be necessary at this time but the desirable situation would be to eventually eliminate the OOS. It was noted if it were possible to eliminate OOS, the first step would be to take into account all of USOR's present circumstances and conditions to not have a repeat of the past fiscal situation.

A member asked for a modified version for the blind community on the presentation given today. Russ agreed to provide this document.

#### **ORDER OF SELECTION UPDATE**

**AARON THOMPSON**

Aaron gave an update on the open meetings for public comment that were held January 5<sup>th</sup> and January 7<sup>th</sup>. Additional public comments were received through email at the email address [OrderofSelection@utah.gov](mailto:OrderofSelection@utah.gov). Both public meetings were recorded and all email comments were logged. Common areas of feedback:

- The OOS process and the effect on receiving services
- Notification for the public meetings OOS plan
- Input regarding the priority categories
- Clarification for functional limitations versus physical and mental impairments.

There was a discussion regarding the clarification of the functional limitations especially with the blind community.

USOR's Order of Selection Plan was submitted for review and approval by Rehabilitation Services Administration (RSA) on January 9, 2015. USOR received the following points of feedback:

- Elimination of the proposal for Category 1: Students w/disabilities and category 2: Individuals w/disabilities at risk of losing employment.
- The requirement to “Prioritize” Individuals w/most significant disabilities supersedes the “priority” for student’s w/disabilities.
- Under WIOA, agencies still have the requirement to improve and expand vocational rehabilitation services for student’s w/disabilities on a statewide basis.
- Additional clarification is expected with the new regulations, tentatively early in the spring of 2015.

In communicating with RSA, the explanation to eliminate Category 1 was reported because USOR was out of compliance with the current WIOA regulations. Aaron cited at the December’s meeting it was originally thought as a state USOR may make their priorities, but then the WIOA law read the need to spend 15% total allocation on students that have disabilities and then spend 50% of Supported Employment funds on students with disabilities. USOR would need to meet the 15% set aside for students with disabilities. We would have to prioritize student as number one to meet the 15%. This explained why putting Student w/disabilities were placed in Category 1.

After RSA clarification of the current regulations the following OOS Plan Revisions is being submitted for SRC recommendation. The plan consists of the existing three Categories:

- Category 1: Individual w/most significant disabilities
- Category 2: Individuals w/significant disabilities
- Category 3: Individuals w/disabilities

The revision to the plan also gives additional justification for the decision to implement an Order of Selection. Specifically the plan handles the following:

- The change in the grant award between FY2007 to FY 2014
- The status of state funds during this time period
- Projected expenditures and the deficit for FY 2015.

VR Counselors will continue to meet with and provide services to students and youths with disabilities who have IPEs. For individuals on the waiting list, USOR can only provide information and referral services which may include:

- VR Counselor attendance of IEP meetings.
- Eligible and potentially VR eligible clients who are student may attend Job Readiness workshops hosted at schools.

**MOTION:** Ron Campbell made the motion to support what is required by RSA to move forward with the Order of Selection with the commitment from USOR to submit the comments and input reported at this meeting. W. Kent McGregor seconded the motion. All were in favor. None opposed.

Aaron provided an update on the WIOA Town Hall meeting in Dallas and South Dakota joined by partners from Department of Workforce Services and USOE Adult Education. Aaron reported no additional information but did say this was an opportunity for beneficial networking.

## OPEN DISCUSSION/PUBLIC COMMENTS

Lester Ruesch, Chair of USILC, reported on a Legislative training which was held in January led by Kris Fawson, Director of USILC, remarking on the exceptional attendance. Lester also mentioned he attended a training which was held on the new WIOA regulations and stated it was very informative.

Robyn Chidester, Parent Center, reported on a statewide publication that has been created by the Parent Center. Robyn reported that in the October issue an article was focused on employment. She mentioned the Federal grant which has produced a DVD on Self-Determination. Ending her updates, Robyn announced her resignation. SRC applauded her for her time committed to the Council. She will be missed.

Laura Lee Gillespie, DLC, reported on a DLC newsletter that was sent out with an article concerning the one-time fund request and advising readers to contact their Legislative representatives for support.

Kelly Boehmer, DSDHH, reported that an Open House will be held next week.

Paula Seanez, Title 21 Navajo Nation, reported their RSA grant application will be submitted soon and VR services have been given the current MOU for re-negotiation review. Paula reported working on outcomes and budgets in their proposed 5 year grant application. Paula announced Melissa Schindler has replaced Travis Morgan as the new director of the Ute Mountain Ute Tribe.

W. Kent McGregor announced he is the chairperson for the SRC nomination committee. In March he is to seek potential SRC recruits for the coming year. Kent requested committee members call him if interested in helping.

A Council member requested the possibility of holding a Council meeting outside of Salt Lake City. The Executive Director will take this in consideration and will request help from the Executive Committee in finding a location.

An inquiry was made if there was any update on moving USOR from Education. The Executive Director stated that there is still a possibility. The concerns and issues of this move were discussed. The Executive Director reported that he will keep the Council informed of any actions.

Next meeting will be Wednesday, February 25, 2015 at the USOE Building, Main conference room from 9:00 a.m. to Noon. Meeting adjourned at 11:40 a.m.

Minutes were submitted by SRC, Executive Secretary, Ginny Henderscheid.