

State Rehabilitation Council (SRC)

August 26, 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, September 29-30, 2015

PRESENT:	Kelly Boehmer	Sharon Brand	Amberley Snyder
	Ron Campbell	Helen Post	Lester Ruesch
	James Harvey	Rylee Williams	Kent McGregor
	Susan Loving	Jan Carter	Sandy Terry

PHONE:	Evelyn Owen	Merina Pope	Melissa Freigang
	Paula Seanez	Amy Powell	

EXCUSED: Tammy Wood

USOR Staff	Darin Brush	Stacey Cummings	Aaron Thompson
	Jennifer Roth	Gordon Swensen	Lynn Nelsen
	Rachel Anderson		

GUESTS: Kris Fawson Emily Stirling

INTERPRETERS: Interpreters

WELCOME/MISSION STATEMENT

Sharon Brand, Chair, welcomed Council members and called the meeting to order at 9:05 a.m. The Mission Statement was read by Kent McGregor. Sharon requested any amendments or corrections to the June 2015 minutes as presented to the Council. Several corrections were mentioned and amendments were made. The word "to" was eliminated from paragraph 2, page 7. Motion was made to approve the minutes as amended. Motion seconded by James Harvey. All were in favor, none opposed.

Sharon felt that the auditors had some resounding questions and were well prepared to meet with the SRC panel. The SRC panel spoke of the value of the SRC Board and Ron prepared a recap for Board members. The recap was read in the meeting. In attendance at the auditor's meeting were Sharon, Ron, Kent and Ken along with two legislative auditors. They were asked how moving USOR would hurt the agency. The panel stated that other than current fiscal challenges, USOR's grades in other areas were positive and represent one of the best state-run programs in the nation, all within its current governing structure. The panel questioned whether the auditors should be asking how moving USOR out of USOE would help the agency rather than how it would hurt the agency. The auditors were asked to contact RSA to look at all metrics of success and not just financial issues. The role of the SRC was provided to the auditors, as well as the role of different agencies like Special Education. They also reminded the auditors that the new WIOA laws focus specifically on transition-age youth. They pointed out that on a Federal level, the original WIOA laws were written so that RSA was going to be moved to the Department of Labor. After hearing serious concerns, the law was rewritten, and RSA was kept under Education. The same rules that applied to the Federal situation also apply at the state level. The panel was told that a final recommendation from the Legislative Auditors will be made on September 11th, 2015 so any input needs to be submitted by that date.

EXECUTIVE DIRECTOR UPDATE**DARIN BRUSH, STACEY CUMMINGS**

The audit will be publically released September 8th at 1:00 p.m. It is expected that USOR will provide a brief response after that meeting. September 11th is the date of the Social Services Appropriations Subcommittee meeting where Darin will make a full response. Executive Appropriations also would like to see the report and will expect a response from the State Office of Education also. Stacey Cummings was just appointed first-time Deputy Director of USOR. Aaron continues to have a full plate handling just the VR program and will be receiving additional help. Jennifer is also putting a financial team together. The audit is still a work in progress and is comprised of five chapters. During the 2015 General Legislative Session it became evident that USOR needed a supplemental appropriation which was granted in the amount of \$6.3 million. The audit was requested at that time. The question about the governance of USOR also became a topic. The first chapter is an Executive Summary and reflects the subsequent four chapters. Chapters 2 and 3 talk about the budget and governance, and try to explain how our budget works at USOR, specifically around the VR program. We have a state fiscal year with a state maintenance of effort (MOE) requirement, and a Federal fiscal year, when Federal funds become available. It is complicated by issues like re-allotment where USOR can petition for additional Federal money. We expect to carry over most of the \$6.3 million supplemental appropriation in order to pay for obligation/encumbrances for client services made in FY15. While this is good for the short term, these one-time monies have consequences for the long term, like increasing maintenance of effort responsibilities. We learned yesterday that the \$9 million re-allotment we requested for state FY16 was granted. The audit tells the comprehensive story about why USOR's difficulties occurred, but it comes down to enrolling and serving more clients than our budget could sustain. A core issue is that USOR did not have a good mechanism for predicting caseload or modeling costs of services and number of people served. We weren't comparing actuals (encumbrances) to our budget on a regular basis. Chapter

three looks at governance and oversight, and suggests the State Board of Education, USOE and USOR all share responsibility for the budget problems. The State Board of Education takes full responsibility for this even though most of the Board is new over the last two years, as well as most of the Executive leadership at USOE and USOR. There was (A) insufficient oversight and (B) a business relationship that did not serve USOR well. Through an indirect cost pool formula we pay about \$2 million a year to USOE to provide internal accounting services among other things. The big failure for USOR was not knowing where we stood with the budgets. The failure caused policy makers to wonder if USOE is the right governance structure for VR. The next chapter of the audit talks about what governance should look like, and DWS plays a prominent part in this discussion. There is a potent chapter talking about parallel interests with DWS. There is some attention paid to Human services as a potential lead agency. There is also the idea of an independent commission. A variation of these three scenarios exist most places around the country. It is no secret about how these auditors feel specifically about where USOR ought to go and they suggest it could be done fairly quickly. Darin expressed concern that we have our hands full, and transitioning on top of our other issues is a lot to take on. It would take away almost \$2 million from USOE. We are deeply integrated with USOE and we depend on them for a lot of services.

Darin shared the agency plan with the core issues identified in the audit. While the audit talks a lot about what has happened and recommendations about how to repair it, none of it is unknown to the players resolving those issues. Darin said it's significant when looking at a current organizational chart of USOR/USOE, there is almost a complete change of leadership, and everyone is working on these issues. This is part of the message we will convey in our response to the audit. They need to be clear that not everything is broken at USOR. We didn't know where our budget was, and we had some compliance and risk exposures, but we have a lot of staff delivering services in ethical, respectful ways. Darin's biggest fear is that we'll be dragged through the mud again and the impact on morale that would have. He has proposed four immediate goals.

1. To get a handle on the budget and manage it in a proper accounting posture, where we're tracking obligations and expenditures on a regular basis. A lot is still out of our control due to our reliance on USOE, but Jennifer Roth is working through this. The biggest part of this goal, besides Jennifer being in place, is to model how caseload is affecting our budget. Aaron and Stacey have a draft model they're refining right now, so we can see where we stand. There are implications for our OOS and Darin predicts we won't lift the OOS soon, but that we will be able to slowly start opening up the waiting list when we start managing the budget. If we can model this well and look at expenditures, then we can determine exactly how many clients we can enroll at a time.
2. Good performance management data. After handling fiscal controls, then we need to know about our programmatic outcomes. Those two pieces go together, so we're creating management information systems (MIS), where our reporting will be published, provided to SRC and other stakeholders.
3. We create a centralized compliance and quality assurance structure. Managing large federal grants requires risk and comes with a lot of compliance concerns. We don't have that capacity at present and need to add it. We need a chief compliance officer at USOR. This compliance issue is a big piece and we need to be preemptive.

4. How do we organize ourselves so it reflects the things we should be doing, and support the first three goals? We must implement managerial direction, align service delivery systems and enhance communication.

This is the plan we created in the first 30 days, and it addresses everything in the audit. There is one last thing in the audit, and that is the use of the half million dollars that was in the DSBVI trust fund to cover VR service costs to Blind and Visually Impaired clients. These were restricted funds but how they were restricted and for what purpose cannot be documented, especially going back in time. We need to create some detail around this trust fund engaging the advisory group at DSBVI. We need to know how this should really operate and what it should be used for.

We have submitted a FY17 budget with three guiding principles, and it goes to State Board of Education, then we will submit it to the Governor's office. The budget we've submitted doesn't have any building blocks in it - it is a base budget. There is a \$1.5 million dollar Increased Funding Request (IFR). This would give us the capacity to serve our highest category of Most Significantly Disabled (MSD) on the waiting list for a year, based on the modeling Aaron and Stacey have begun. That is our leading building block request. This has to be an ongoing appropriation. The worst thing that could happen to us is to get a one-time appropriation. We've asked for some money for the IL program and we've asked for funding of some of the positions we've mentioned. There are other IFR requests that include funding for the key positions described earlier, Independent Living Centers, etc.

That FY17 budget has three assumptions:

1. We don't increase our state maintenance of effort commitment unless we get ongoing money (one-time money is problematic).

2. We start to wean ourselves off the re-allotment money from the Federal Government as it contributes to the dynamic that got us in trouble. The budget we have built for FY17 assumes a \$6 million re-allotment request. This will be used to pay the maintenance of effort penalty described below.

3. We don't ever pay maintenance of effort penalty again. We will have an MOE penalty this year and that will be included in our response to the audit. It will take two full fiscal years at least to get on track. Our MOE penalty is over 5 million dollars this year. We can pay that through our Federal grant. The FY17 proposed budget is a leaner budget than what we have now. It will be about \$5 million less in terms of VR, and \$3 million or so less overall than this year. That fits what our caseload has been. If we can get additional appropriations we can serve more people but the first thing we have to do is manage our budget and get off dependencies that created damage to us long term.

As far as OOS, we're going to be there for a time, but that doesn't mean we can't serve anyone; it means we're judicious about flow in and out. It gives us a tool to manage how many we bring in at a time. Ron asked from a client perspective if OOS by definition discriminates. He understands how important it is to have OOS but there is a need to always be looking at

eliminating it, which is our goal. OOS may discourage people from continuing to apply. But you can still be on OOS and not have a wait list. We have it as a tool if it is needed in order to manage proactively. Ron said at DSPD the waiting list has become standard and nobody is trying to change it. He doesn't want to see this happen to VR.

Ron said implementing the fiscal management is good because we relied on USOE to do it for us and they failed. To get control you have a CEO but also a CFO who has a dotted line above the CEO. There will be a lot of credence put in Jennifer's role in order to bring in the financial controls under Darin's guidance. The CFO can spot the problems and protect the agency. We wouldn't be here if that had been in place before. Kent was glad to see attention paid to the DSBVI trust fund. Previously there was a lot of mystery about what that fund entailed and how it worked. Kent was told it was based on a donation someone had made and that DSBVI could use the interest on the principle to fund certain things. Darin said there's a lot of haze about what it is and what it should be used for.

Sharon commented that she has some concern on how many management team members we plan on hiring. She would like to see what Darin's model looks like for the management team, since we can get overhead-heavy. Darin said he has a draft organizational chart that he will share with the Council. It recognizes five new positions. USOR has cut 44 FTE's over the past 21 months. We are not restoring specific jobs, but the addition of five to six new management employees is necessary, such as the Finance Director and her staff.

Ron wondered if Darin knew the percentage of administrative costs versus direct-services costs to clients. He would like to know what it was before Darin came versus what it is now. Susan would like to ask the Executive Committee to discuss what the SRC's responsibility is in terms of advising USOR in structure and administration. Sharon said those guidelines are very specific about advising, analyzing and reviewing policy. Susan said in terms of using management data to drive decisions, she appreciates what's being done. Sharon thinks the analytics is spot on and is glad to see more robustness in that area. When you go on OOS there are unintended consequences like personnel costs going up as the client service costs go down because you're serving only MSD clients. As long as your wait list stays closed that's what happens. If we cut staff, and opened categories we wouldn't have the staff to serve them. You have to look at both when modeling sustainability.

FINANCIAL REPORT

JENNIFER ROTH

Jennifer passed out the updated case service status report current as of last night. We do not have a budget summary report as we are still working on closing out FY15. The Finance committee under the State Board of Education has requested quarterly updates and Jennifer would like to present her reports to SRC on a quarterly basis too. Helen asked what the SRC responsibility is related to the budget. If it's a matter of information, quarterly should be fine, if SRC has some fiscal responsibility she'd like to see it monthly. Stacey said there is no oversight responsibility from the SRC Board. Their mission is to ensure quality VR services, but actual oversight is not the Council's job.

With Jennifer in her role, the SRC has confidence that things are in control. Based on the overall role of the SRC advising on policy and procedures, Ron doesn't think SRC has enough of a

budgetary responsibility to see a monthly report; quarterly would be enough. Jennifer will be doing a monthly report to be used as a management team tool so the data is there if we need it. Helen said the amount going to case service should matter to the SRC, but she is unsure of the format it should come in. Stacey said as a management team they meet once a month to go over individual units' budgets to ensure we aren't overspending. Aaron has committed to updating the wait list information once a month, and that speaks more to what Helen is asking about. Stacey could bring in statistics about what was spent the last 3 months in Case Service, but then you get into factors that don't mean anything unless you look at the big picture.

Stacey said she will tell SRC next month how VR has figured out how many we can serve. Then we can talk about how many people need to come off the rolls before adding new clients. Updated wait list numbers will be posted on the website and these things are probably more informative to the SRC than the numbers Jennifer is presenting. Helen said she would like to have a general notion of the funding information. The big picture numbers are helpful and she thinks periodic information about financial issues should be included. Susan asked if the management team can give SRC just the overview of what's happening without these budget sheets as they are too complicated.

Sharon asked the council to make a motion for the record so that Administration has direction as to what the SRC needs. Susan made the motion that we request monthly reports from the management team detailing clients served, clients on the wait list, status of funding, and a quarterly financial report. Motion was seconded by Kent McGregor. All were in favor, none opposed, motion passed.

Jennifer will provide a quarterly update in October on the budget and at that time we can go over the FY17 budget as well. On another note is the case service update on the \$6.3 supplemental. Each month we've been updating where we stand on that money. At the time we closed paid client services we had a \$214,000 reserve to cover costs of determining eligibility. This is shown on the report as a total of \$6.5 million dollars. We have authorized approximately \$4.5 million dollars of the \$6.5 million with a remainder of just under \$2 million.

Those figures reflect a formula allocation so when management divided up the \$6.3 million we went back to the formula allocation and factored in how much of a percentage of the \$6.3 million went into each budget. District 80 is DSBVI and we knew that they usually spend twice what is normally spent because they have higher costs and fewer placements than the other districts. We will continue to look at some sort of formula to divide money out between the districts. The formula is helping us keep watch of when we need to look closer at something. Aaron said it is establishing the baseline and once those budgets are estimated and projected they will be sent to the counselors to authorize services. Then we have to supervise and review each authorization to make sure it is reasonable and necessary. There is a dual system of checks and balances. Over the last four weeks you'll see an increase due to fall semester tuition, books and fees. We're currently serving 11,000 people in plan for employment. When we went on OOS we had approximately 14,000 in plan, so monitoring who is in the program is part of the formula. It tracks who is currently in service, how many are exiting, and how many people we can move off the waiting list. Stacey said we have consistently spent under projections and we appear to be in a good place. We can use this in our presentation to the audit committee. The \$9 million is one-time funding but it was built into the 2016 budget this year, so we are in a best case scenario right now. Ron said when trying to predict the budget and caseload, the one

word that describes USOR is “individualized”. That makes prediction difficult, as each case looks at different goals and outcomes. Stacey said they will figure average costs per client in each category over the last five years. They hope to get enough clients in the pool over enough years, to eventually come down to a number that is reasonable. We don’t want to impose the average on any individual case. We’re anticipating having data we can look at over time.

DIRECTOR’S REPORT

AARON THOMPSON

Aaron gave an update of people successfully exiting the program as employed. As of yesterday 2,913 clients were closed as successfully employed. The number on the wait list is 4,520 individuals, and we’re tracking these numbers as to when we can start opening up categories of MSD. About 1,250 on the wait list are MSD and they are our top priority. In terms of policy update, Helen wants to clarify who qualifies as MSD. Aaron said we’re looking at functional limitations; you can have 1 disabling condition that can affect your life activities in a number of ways. Secondly we look at the number of services they will need and the duration of services needed. MSD looks at multiple functional limitations of more than two. The 2nd category is looking at at least one functional limitation, and the 3rd category is an individual with a disability. This is a broad overview, and is not based on the number of diagnoses or conditions. It goes back to functional limitation, duration of services and number of services a client will need.

We are going into our new case management system starting in October. Our go-live date will be Oct 1st, and one of the key benefits is to have it integrated into our management system. We can use it for our planning and evaluation process as well as quality assurance. It will help us identify issues, trends and patterns we need to focus on to see if we’re using services appropriately. It will also look at authorizations and expenditures. AWARE is used by at least 31 state VR programs. AWARE staff are already working on reporting standards, and what information we need to collect. Post-closure statistics tie into DWS and adult education, who are the core partners under WIOA. We’re still waiting on finalized regulations for WIOA, and those are projected for early 2016. We’ve already started to work on the Unified State Plan, as part of a core partnership. The kickoff for the Unified State Plan is on Sept 17th, and involves a large collaborative group effort with a lot of subcommittees. Prior to submitting the final plan we will be presenting the VR section to SRC for their input. All submissions must be sent by March 2016, and the plan will go into effect in July. We’re trying to make it as seamless a transition as possible to avoid disruption to client services. There will be an ADA 25th Anniversary Open House on September 3rd, at the West Jordan Library and we can get more information out to the SRC if anyone would like to attend.

TRANSITION REPORT

RACHEL ANDERSON

Rachel presented on the Job Readiness Workshop pilot program that was created for youth in the spring of 2015. The pilot just wrapped up in June, and there were almost 500 evaluations that Rachel is reviewing to fine-tune the program. They served about 190 students, in 11 or 12 schools and they did about 15 workshops. Rachel also did training for staff on the finalized version. One piece of feedback was that the workshop focusing on resumes and applications was too much to do in one sitting, so those were separated out. They’ve made adjustments to

be sure they're in compliance with the new laws. They were able to get feedback from students, teachers and counselors and have a lot of schools who have already requested it. Rachel is working on the final product, and then it will be given to counselors to get them into any school. They also have had meetings with USDB to serve those students too. Rachel also said they now have a transition website that is up and running. It can be found at www.usor.utah.gov/transition

The website has connections to partner organizations, downloadable pamphlets, a place to get questions answered, and a place where people can search for their counselor. They are working very closely with IL centers. Rachel has proposals from some of our job coach companies who also have programs that would serve this population too. She is looking at them and reaching out to all the schools districts to see how we can partner with them. Rachel would like to involve rural students too. Gordon asked if the transitions-age groups include delinquent youth, because they could benefit in a big way. Rachel said this is a large population that is being underserved. The ages we are talking about are 16 to 21 years old. The regulations state it has to be an in-school student and we don't know what the in-student WIOA definitions are going to look like. Right now we are serving anyone who is in that transition age. Gordon would like to know when they get to the regulation stage because he is doing a lot with the juvenile offenders. Most juvenile offenders have disabilities and other states have been reaching out to juvenile justice populations. We only have one dedicated caseload that serves that population and that is in Salt Lake City. We have a couple of counselors who are liaisons to detention centers. These youth also move a lot making them difficult to serve.

Susan said the counselors need to understand that education is not one of the partners under WIOA, and it's frustrating to educators that other agencies are developing programs and they aren't part of the Unified State Plan. Rachel said we have a lot of leeway with youth as potential eligible clients. We can get them signed up and give them other resources while they are on the wait list. Ron said the transition data we have is not even close to reality. He asked if we can capture those numbers and have that be part of the data that is reported as part of VR success. The annual report on the website today is from 2013, but in January of 2015, the 2014 Annual Report was completed and the transition-age data in that document needs to be approved. We at least need to have the 2014 report online. In the current website layout, it's hard to find the SRC report, so there's a link problem. Another problem has to do with publication of SRC Annual Report which is not listed.

Aaron said one of the positions we had to eliminate was our web developer so the USOR website is not being updated. We are linking the transition website to the current website. The majority of the work we're doing in transition isn't being tracked. The new AWARE system is going to have components to do this. There are still many things we have to find a way to track consistently, for instance tracking if a counselor goes to an IEP at a school. Teachers may invite VR to give a commercial, but it is difficult to see if a student actually applied. Ron hopes education can take the model being used in these workshops and apply it there. Helen asked what kind of involvement the families have when you go into the schools. Are they aware of the skills being taught? These students often need a lot of reinforcement from family. Rachel said it depends on the counselor that's in the schools. The pilot group gave the school responsibility to inform the parents and to get the paperwork from the family. The goal was to provide basic information and then have the counselor build a relationship with the student and the family. We're in the process of creating a counselor manual and we're doing a teacher guidance manual.

Another piece is advertisement material, and one of these pieces could be geared toward the parents. When it is finalized, Rachel can send it to the SRC. With the new system we will be able to track which school is working hard on transition. One of the challenges is that the responsibility for accessing services falls on the youth and family once they leave the system. The silver lining about OOS is the student can apply at age 14 and by 16 services will be available.

ANNUAL MEETING PLAN

SHARON BRAND

We've have set the time for the Annual Conference on September 29th and 30th. We have chosen a theme for the meeting, and it is "Eyes on the Prize: Persevering with Continued Quality Rehabilitation Services Through Challenging Times". The first day, we reserve for those who are new on the council or need refreshing on what the council does. We also present the bylaws and new binders. That will be held on September 29th from 1:00 to 3:30 p.m. Wednesday we typically start at 9:30 a.m. and during the morning session we usually have a keynote speaker. Kris Fawson will do some training that morning. We hand out awards to anyone going off the council, and then have lunch. The afternoon session from 1:00 - 3:00 p.m. is our General SRC meeting. In terms of a key note speaker Kent is in the process of negotiating with another speaker. Susan and Helen agreed to do a getting-to-know-you activity for Wednesday morning. Kent takes over as Chairman on October 1st.

OPEN DISCUSSION

SHARON BRAND

Susan said the NAMI Walk Utah is September 12th at Liberty Park to provide educational services for those living with mental illness in Utah.

Helen said they've had notices going out over list serve for Utah Parent's Center, that they are experiencing a budget cut and will be doing less training and workshops than they had in the past. There is a workshop on October 9th and 10th, at the Larry H. Miller campus of SLCC. Information is available on the website. The cost is \$10 to help pay for food.

Lester said IL is beginning their new cycle and are doing public input meetings. Kris Fawson said the process is to involve focus groups to assist in creating a plan for the next three years. They've held 2 focus groups in Salt Lake and Price so far, the next one is Ability First in Provo on August 27th at noon, Red Rock Center in St. George on September 17th at 1:00 p.m., Roads to Independence on September 23rd and Options for Independence on September 24th. We will get as much input as we can. We're continuing with our youth training and programs, and our IL youth conference went extremely well. Lester said part of that program was to create a youth advisory committee. Many of the leaders who attended the youth conference will be members of this advisory committee. Kris said their advocacy group is really against the recommendation of DWS as a home for USOR, and they plan to be pretty vocal about it. DWS is a great organization but USOR could get lost there since our focus is on individualized training. They are also looking at USOR becoming a stand-alone agency.

Sandy Terry said DWS has also had funding decreases and they've had to reduce their obligations. They typically do \$6000 per training exposure, and have had to decrease this to

\$4000. They have been trying to partner to leverage some funding. Their focus on youth will be around career services, job readiness activities and looking at whether training makes more sense for youth than career services.

Paula said that CANAR will be hosting their mid-year conference in Salt Lake City on November 9-12th at the Radisson Hotel. CANAR is the organization that all the 121 Tribal VR programs are members of. Paula has forwarded the request for presenters and it would be nice to partner with VR as well as SRC to show what's happening in Utah. CANAR.org has information on the conference. The Navajo Nation submitted their 5-year proposal, and are still waiting for funding for that proposal for their VR 121 Program. They are confident the award will come in September which will begin the next 5-year cycle. Melissa Schindler has resigned from the Mountain Ute 121 Program. They have a Tribal Administrator, Greg Miles, overseeing that program that Paula is in contact with.

Sharon said that as a result of attending the CSAVR conference last season, she's been working with Leah Lobato and they had a telephone conference with representatives from Union Pacific from 23 states. They contacted recruiters who now have access to all VR people throughout the United States that are working on employment for people with disabilities. It wouldn't have been possible had Sharon not been the SRC Chair, and attended the CSAVR conference. At Union Pacific with over 50,000 employees, every single recruiter now has access to VR counselors and are attending VR and SRC events throughout the 23 states they operate in.

Meeting adjourned at 11:45 a.m.
Minutes submitted by Lynn Nelsen.