State Rehabilitation Council (SRC)
September 30, 2015
1:00 p.m. to 3:00 p.m.

MINUTES

Utah State Board of Education
Main Conference Room

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

Next Meeting: Wednesday, October 28th, 2015

PRESENT:	Kelly Boehmer	Sharon Brand	Amberley Snyder
	Ron Campbell	Helen Post	Lester Ruesch
	James Harvey	Rylee Williams	Melissa Freigang
	Susan Loving	Merina Pope	Sandy Terry
	Amy Powell	Ken Gourdin	
PHONE:	Kent McGregor	Evelyn Owen	Karim Mardanlou
EXCUSED:	Paula Seanez		
USOR Staff	Darin Brush	Stacey Cummings	Aaron Thompson
	Gordon Swensen	Lynn Nelsen	
GUESTS:	Kris Fawson		
INTERPRETERS:	Interpreters		

WELCOME/MISSION STATEMENT

Sharon Brand, Chair, welcomed Council members and called the meeting to order at 1:05 p.m. The Mission Statement was read by James Harvey. Sharon requested any amendments or corrections to the August 2015 minutes as presented to the Council. Several corrections were mentioned and amendments were made. Motion was made to approve the minutes as amended. Motion seconded by Melissa Freigang. All were in favor, none opposed.

EXECUTIVE DIRECTOR UPDATE **DARIN BRUSH**

We're moving in an upward trajectory in USOR especially in the VR program. Darin would like the SRC to think about what is the most meaningful way to work together, specifically as USOR reviews and implements policies and procedures and focuses anew on client services. He can be called upon at any time for input from the Council. The legislative audit that was released last month was motivated by the $6.3 million client service request we made last FY and it did exactly what it was meant to do in terms of services. Last FY we spent about $1.3 million with a remaining $5 million that is almost entirely obligated already in the new fiscal year. A primary cause of the budget problems was predicting future costs. We had no model to estimate client service spending and to compare obligations and expenditures against the budget. We needed to look at causes of overspending as well as what weaknesses existed that led to our situation, including governance and oversight. We did eliminate 43 FTE's over the last 22 months, and we have a very capable management team in place. Coordination with USOE is improving with better oversight from the State Board of Education. OOS is the tool allowing us to match our resources. Since July, USOR has adopted and is implementing an agency plan that includes four goals:

1. Develop and utilize a comprehensive budget and accounting management system (including the critical task of developing and testing the caseload/cost modeling system)
2. Build an integrated management information system that tracks performance across all activities
3. Create a centralized compliance and quality assurance structure to ensure regulatory compliance, organizational consistency, and continuous improvement
4. Configure the agency internally to support its key business functions

Darin passed out a new organizational chart illustrating the new Executive Team. There are four new and critical positions that have or are being filled; finance director, deputy director and two fiscal analysts. There are three positions that still need to be filled and these are compliance officer, a management information system specialist, and a policy coordinator for VR. One of the things in the audit was a graph of VR spending (both federal and state) with high levels of spending in FY2013 and FY2014. In FY2015 we are close to FY2010 levels. To achieve this, OOS was implemented, we eliminated FTE's, and we're getting on top of our budget and spending. We have to spend the same amount two years from now as we spent this year in terms of our state match and state maintenance of effort to draw down our federal grant. The funding model is dependent on maintenance of effort. Once we reach that benchmark, two years later we have to be spending at that level or higher (setting a new base level for two years into the future). If we're below that, there is a penalty based on what was spent two years prior. USOR is looking at a $5.3 million penalty which will likely be deducted from the federal FFY2016-FFY2017 award. Once this is resolved, we should not have that problem in FY2016. Because a lot of states underspend in a year there is a hold back, and we can petition for that money, but we don't want to depend on this for funding because of the uncertainty surrounding it. Our FY2016 VR budget of $19 million will serve all clients presently in plan. We have approximately 10,800 clients in plan down from 14,000 when OOS was implemented.

We've adopted three guiding principles for our future budgeting:

- We will avoid an increase in our state MOE without ongoing appropriations
- We will gradually eliminate our dependence on one-time federal reallotments
- We will avoid a future MOE penalty

In achieving these three things it brings us to a base budget that allows us to live within our means.

OOS is the only allowable tool we have to restrict the number of clients coming in at any given time, and it allows us to manage our budget. The last OOS data was pulled on the 4th of September and modeling caseload is something we are working on. At that time we had 1,282 people in Most Significantly Disabled, 2,650 people in Significantly Disabled, 713 people who are Disabled, and 819 pending clients. We need to make some assumptions on average cost per client (which can be difficult because of the individualized nature of client services).

ORDER OF SELECTION UPDATE **STACEY CUMMINGS**

First we needed a better way to estimate the cost of providing client services, and secondly, we needed to make a decision about how many additional clients can be served within our budget and how many clients can be moved off the wait list. We started by calculating an average cost per client based on eight years of closure data. This was divided by the number of months those cases were open. We divided them out by disability category of MSD, SD, and D. For each client we came up with an average cost per month in each of the categories. As a double check we looked at expenditures in the last quarter (what we have authorized in IRIS for client paid services) and divided it by the total number of clients we're serving to get the average cost per client. We then figured how much money we had to spend on client services. You have to assume that in any month, you're going to have the same amount that you had the month before, and the month before that.

We also used the FY2017 budget estimate rather than the FY2016 because we had $19 million in FY2016 that went down to $17 million in the FY2017 budget. We took the number of averaged eight-year client costs, and on top of that we added yearly costs that we expect to pay for assessments and post-employment services. Melissa asked if they calculated in the administrative costs. Stacey replied that we're only talking about paid client services or things we pay other people to do for clients. It creates more paperwork to keep track of clients who are on the wait list. But on the other hand caseloads are dropping because people are being closed and we're not putting anyone back into plan. The FY2017 numbers are a little higher and went from $77 to $102. If every open client costs us that much money we could keep them all in plan. We're looking at client authorizations rather than client expenditures. You can also see how we use the $17 million assuming we're going to get the $6 million federal reallotment that is built into our FY17 budget. It also assumes VR funding for pre-employment services. As of this year, we must leave 15% of our VR grant for pre-employment transition services specifically.

The SRC was impressed by the way the Executive Team created the budget and case management scenarios. Ron was surprised that the MSD category didn't require more money, and the figures reflect this. Stacey explained there is some interpretation in the data, and that the MSD individuals may be served for longer periods of time increasing the amount of money

Scenario using the 8 Year Average Cost per Client	Clients currently in plan			Clients on waitlist	Assessments and post-employment services	Total direct client service expenditures
	Most Significantly Disabled (MSD)	Significantly Disabled (SD)	Disabled (D)	Most Significantly Disabled (MSD)		
Total Clients	2547	7842	483	1300		
Average monthly cost per client	77.65	76.94	72.04	77.65		
Average annual cost per client	931.85	923.27	864.51	931.85		
Annual Cost	2,373,409.22	7,240,244.13	417,558.33	1,211,398.50	825,000.00	12,067,610.18
Available client services budget*						17,000,000.00
Reserve						4,932,389.83

Scenario using the Most Recently Completed Quarter Average Cost per Client	Clients currently in plan			Clients on waitlist	Assessments and post-employment services	Total direct client service expenditures
	Most Significantly Disabled (MSD)	Significantly Disabled (SD)	Disabled (D)	Most Significantly Disabled (MSD)		
Total Clients	2547	7842	483	1300		
Average monthly cost per client	102.12	102.12	102.12	102.12		
Average annual cost per client	1225.47	1225.47	1225.47	1225.47		
Annual Cost	3,121,263.51	9,610,109.31	591,900.38	1,593,106.62		14,916,379.82
Available client services budget*						17,000,000.00
Reserve						2,083,620.18

8 Year Average Cost per Client	Most Significantly Disabled	Significantly Disabled	Disabled
2014	84.75	82.15	102.39
2013	86.35	81.19	42.85
2012	69.84	76.07	73.51
2011	73.61	74.10	81.22
2010	69.24	70.17	59.56
2009	78.59	78.33	59.56
2008	83.88	77.21	91.95
2007	74.97	76.29	65.30
	621.23	615.51	576.34
Average monthly cost per client	**77.65**	**76.94**	**72.04**

Most Recently Completed Quarter Average Cost per Client	
3,592,149.06	Client Authorizations for SFY16 - Qtr 1
11,725	Total clients < > status 4 (waiting list)
102.12	Average monthly cost per client **including** assessements and post-employment services

* Estimated budget assuming steady state and federal funding, SFY17 federal reallotment of $6 million, & the ability to meet and draw down all VR funding for pre-employment transition service requirements.

spent. But averaging it out over the life of the case it may or may not be more. Will the cost per client per outcome be analyzed in the new AWARE system? Stacey said we will be able to do that with the new management systems and other measurements.

DIRECTOR'S REPORT **AARON THOMPSON**

When we have assurance that we have money to allow us to serve individuals in plan, we will look at people on the wait list, mainly those with MSD. Right now there are about 1300 people who meet this classification, so we applied the scenarios to this group, and we do have the financial resources to serve people on the wait list. We will open up the OOS category of MSD on November 1st, but we have to make sure it's gradual and we're following procedure. When we start moving people off the wait list we go back to the date of application. The time to make an eligibility determination can vary. A rough calculation is a range of 100 to 150 people a week, though this can vary from week to week depending on application date. In addition to sending out a notification letter, counselors will be calling and emailing clients and posting information on our website. We will also be updating our FAQ list and we will provide staff with the resources to answer any questions.

The model we created makes several assumptions:

- That there is a standard, predictable cost of paid client services for each client and that cost is the same for all clients in a particular category
- There will be a stable budget available to purchase paid client services for the next several years and funds will be available equally across any 12-month period
- Spending patterns and costs for client services will remain steady over several years
- The number of people applying for VR services, and the percentage of clients classified as MSD will remain steady
- As people are moved off the wait lists, USOR will continue to use OOS to assure incoming clients and ongoing expenditures do not exceed the available budget

We acknowledge every client is an individual and costs will vary. Reviewing the budget projections and modeling, we are looking at a client service budget of $19 million but that will drop to $17 million in FY2017. The assumption is that spending patterns and costs of client services will remain stable and will be influenced by WIOA and the economy. The next assumption is that the number of clients applying for VR services will remain steady. Last quarter we were down 16% of people applying for services. We're also looking at our classification percentages. Some tools are built into the AWARE system that will cover quality assurance measures. We will also be looking at the role that counselors have in reviewing classification and eligibility determination. Even when people are moved off the waiting list USOR will continue with OOS. We will serve those in the MSD category first, while the others will go on the wait list. The goal of OOS is to get everyone off the wait list, while still serving those who are activated from the wait list. When we get to point of stability in the future we can go off OOS. We anticipate making updates to the modeling system. We're also gathering information on the rate of clients exiting the VR program and length of time they're receiving services, as well as the kinds of services received based on vocational goals. The type of disability will alter the cost of service. We also have to look at client-base size and how many people our counselors can serve.

ASPIRE UPDATE **CAROL RUDDELL**

Carol Ruddell presented on ASPIRE. A lot has happened in ASPIRE this year. ASPIRE is a research study, and they must follow many procedures and formalities in conjunction with the Department of Education, Department of Labor, Health and Human Services and the Social Security Administration. Eligible youth are ages 14-16 at time of enrollment and they must be receiving SSI, meaning they have a disability and their families live under 100% of poverty level. Utah is partnering with North Dakota, South Dakota, Colorado, Montana, and Arizona. Together the six states must enroll 2000 youth, and this includes 49 tribal populations. The award came in 2013, and enrollment started on Oct 1st 2013. Utah only needs 38 more clients and they are very close to their goal. The six states have until March 30th to complete enrollment. ASPIRE services will provide parent training, financial education for families, benefit counseling and self-determination training for youth. ASPIRE'S biggest service is providing case management services directly to the youth and their families. The question posed is are these youth more likely to be employed? 16% of youth with disabilities in high school have never had a job compared to 35% of students without disabilities. Expected outcomes include increased education and household income for the families and reduced dependency on public benefits.

OPEN DISCUSSION **SHARON BRAND**

Gordon briefly addressed the Consumer Satisfaction Survey. Our previous reports on the survey originated from a program evaluation specialist, so we need to get data together to make a report to the SRC. The surveys are an instrument the SRC uses to gauge how well clients perceive VR and to encourage suggestions from former clients. We'll have more information next month and will address specific concerns about the survey.

Helen Post said on October 9th and 10th UPC is hosting Jo Mascorro as a keynote speaker and information can be found at utahparentcenter.org.

Change of Leadership: Sharon officially handed gavel over to Kent McGregor as the new chair.

Meeting adjourned at 3:00 p.m.
Minutes submitted by Lynn Nelsen.