

AMENDMENTS TO THE DSHS/DVR 2016 – 2020 STATE PLAN
STATE OF WASHINGTON COMBINED STATE PLAN FOR WORKFORCE DEVELOPMENT
SECTION VI.M & SECTION VI.K

RSA Required Content

M. Order of Selection

Describe:

1. Whether the Designated State Unit will implement an Order of Selection. If so, describe:
 - A. The order to be followed in selecting eligible individuals to be provided VR services,
 - B. The justification for the order,
 - C. The service and outcomes goals,
 - D. The time within which these goals may be achieved for individuals in each priority category within the order,
 - E. How individuals with the most significant disabilities are selected for services before all other individuals with disabilities, and
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.

K. Annual Estimates

Describe:

1. The number of individuals in the State who are eligible for services.
2. The number of eligible individuals who will receive services under:
 - a. The VR Program;
 - b. The Supported Employment Program; and
 - c. Each priority category, if under an order of selection.
3. The number of individuals who are eligible for VR services, but are 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 an order of selection, identify the cost of services for each priority category.

PLEASE NOTE:

Section VI.M Order of Selection is not included in the 2016 – 2020 DSHS/DVR State Plan. As such, all content proposed in this amendment is new. However, Section VI.K Annual Estimates was included in the 2016 – 2020 State Plan and, consequently, is revised by this amendment. This document contains a “red line” version of Section VI.K Annual Estimates, so that these revisions can be identified more easily.

PROPOSED AMENDMENT: SECTION VI.M ORDER OF SELECTION

M. ORDER OF SELECTION

DESCRIBE:

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

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

Introduction

This section describes DSHS/DVR's plans, policies, justifications, and projected service and outcome goals for serving individuals with disabilities under an order of selection. Additional information is provided describing how an order of selection may affect students with disabilities and Pre-employment Transition Services.

This section was developed in partnership and consultation with the Washington State Rehabilitation Council (WSRC) and the Client Assistance Program (CAP). In August of 2017, DSHS/DVR provided public notice of its intent to amend the State Plan to implement an Order of Selection. Customers, partners, and stakeholders were invited to provide input regarding the implementation of an Order of Selection and the draft amendments to the State Plan. DSHS/DVR and WSRC received public comment throughout the months of September and October 2017. Three State Plan Public Forums were held online and at in-person locations across Washington on September 18, 2017. DSHS/DVR customers, staff, partners, and stakeholders reviewed the draft Order of Selection amendment, asked questions, and provided input and comment. The public comment process and resulting dialogue emphasized impacts on current DSHS/DVR customers, students with disabilities, and customers who need specific services or equipment to maintain employment.

Implementing an Order of Selection

In accordance with the Rehabilitation Act of 1973, as amended by the Workforce Innovation and Opportunity Act of 2014, and its regulations, a designated state unit must implement an order of selection when there are insufficient resources to serve all eligible customers who apply for services.

Fiscal and case service studies project that DSHS/DVR will not have sufficient resources to serve all eligible individuals who apply for services in FFY 2018 and FFY 2019. Therefore, DSHS/DVR will implement an order of selection on November 1, 2017.

By implementing an order of selection, DSHS/DVR will ensure resources and services are prioritized for individuals with disabilities who need them most.

Priority Categories & Order of Selection

As part of every customer's eligibility determination process, a qualified DSHS/DVR Vocational Rehabilitation Counselor (VRC) will evaluate: 1) disability-related functional limitations; 2) anticipated number of needed services; and 3) anticipated duration of services. The VRC will use these criteria to

assign eligible customers to one of three priority categories. Priority categories ensure that DSHS/DVR services are prioritized for individuals with the most significant disabilities.

Priority Category 1: Individuals with a most significant disability

An eligible customer is assigned to Priority Category 1 if:

- The customer experiences serious functional limitations in four or more of the following areas in terms of an employment outcome: mobility, communications, self-care, cognition and learning (self-direction), interpersonal, work tolerance, and work skills;
- The customer requires multiple VR services; and
- The customer requires multiple services over an extended period of time.

Priority Category 2: Individuals with a significant disability

An eligible customer is assigned to Priority Category 2 if:

- The customer experiences serious functional limitations in one, two, or three of the following areas in terms of an employment outcome: mobility, communications, self-care, cognition and learning (self-direction), interpersonal, work tolerance, and work skills;
- The customer requires multiple VR services; and
- The customer requires multiple VR services over an extended period of time.

Note: DSHS/DVR anticipates policy changes in early 2018 that will further refine Priority Category 2. If adopted, Priority Category 2 above will be replaced by three new priority categories. See Section M.2. below for a description of the proposed changes.

Priority Category 3: Individuals with Disabilities

An eligible customer is assigned to Priority Category 3 if:

- The customer is determined eligible for services but does not meet the criteria for Priority Category 1 or Priority Category 2.

Priority categories will be assigned consistently, objectively, and with customer rights to review and due process. Consistent with federal regulations, DSHS/DVR will not consider duration of residency in Washington State, type of disability, age, sex, race, color, national origin, type of expected employment outcome, source of referral, particular service needs or anticipated service costs, individual or family income level, employment history, or education history when assigning a priority of service category. In addition, applicable State law and DSHS/DVR policies regarding anti-discrimination apply to eligible customers who are assigned a priority of service category.

Selecting Eligible Customers for Services

Per federal regulations, DSHS/DVR will provide the full range of uninterrupted VR services to all existing customers with Individualized Plans for Employment, regardless of the priority category to which they are assigned, when the order of selection is implemented.

Under an order of selection, when sufficient resources are not available to serve all new eligible customers, new customers may be placed on a wait list for services. This wait list will be statewide and based upon customers' priority categories and application dates.

Should sufficient resources be available to provide the full range of VR services to both existing and new customers, DSHS/DVR will serve eligible individuals assigned to Priority Category 1 first. This ensures that services are prioritized for individuals with the most significant disabilities. Customers in Priority Category 1 who have been placed on a wait list will be released based on the date they applied, with the oldest application dates being released first.

If resources are available after all existing customers and all new Priority Category 1 customers are assured the full range of VR services, DSHS/DVR will serve eligible individuals assigned to Priority Category 2. Customers in Priority Category 2 who have been placed on a wait list will be released based on the date they applied, with the oldest application dates being released first.

If additional resources are available after all existing customers, new Priority Category 1 customers, and new Priority Category 2 customers are assured the full range of VR services, DSHS/DVR will serve eligible individuals assigned to Priority Category 3. Customers in Priority Category 3 who have been placed on a wait list will be released based on the date they applied, with the oldest application dates being released first.

Students with Disabilities & Pre-employment Transition Services

Students with disabilities can receive ongoing Pre-employment Transition Services while placed on an order of selection wait list, as long as they have participated in a Pre-employment Transition Service before applying to DSHS/DVR. However, federal regulations prevent students with disabilities who apply first for DSHS/DVR services from subsequently receiving Pre-employment Transition Services while placed on an order of selection wait list. Therefore, students, families, advocates, and educators are advised to carefully consider the potential risks of applying to DSHS/DVR before participating in a Pre-employment Transition Service.

Potentially eligible students with disabilities (i.e. students who only receive Pre-employment Transition Services and who do not apply for DSHS/DVR services) will not be affected by order of selection and will continue to receive uninterrupted Pre-employment Transition Services.

B. THE JUSTIFICATION FOR THE ORDER.

Beginning in October 2015, DVR experienced a significant increase in the number of customers served under Individualized Plans for Employment (IPEs). This rapid increase occurred after the drafting of the DSHS/DVR 2016 – 2020 State Plan. In October of 2015, when State Plan estimates were calculated, DSHS/DVR served 6,598 customers with IPEs. By May 2017, this number grew to 7,657, a 16% increase.

Increased service volumes led to corresponding increases in case service expenditures. Per month average purchased service expenditures have increased steadily from \$2,493,912 in FFY 2015 to \$2,721,649 in FFY 2016. Partial FFY 2017 data indicate that, between October 2016 and May 2017, monthly purchased service expenditures averaged \$2,804,588.

While service volumes and costs have increased, DSHS/DVR's funds have not increased to meet this demand. Because revenue streams remained consistent, DSHS/DVR directed carry-over funds to meet increasing service demands and costs. Consequently, carry-over funds are rapidly diminishing.

DSHS/DVR carried-over \$34,366,000 into FFY 2015, \$29,052,638 into FFY 2016, and \$20,302,559 into FFY 2017.

DSHS/DVR is projected to carry-over \$10,850,000 into FFY 2018 and service volumes and costs are projected to continue to increase. If DSHS/DVR continues to expand services and costs at its current rate, DSHS/DVR will overspend all revenue sources during late FFY 2018. Therefore, an order of selection is necessary to ensure that DSHS/DVR can maintain services for customers with IPEs and its operations within available resources.

Implementing an order of selection and closing Priority Category 2 and Priority Category 3 on November 1, 2017, is necessary to ensure that services remain available for all customers with IPEs, without overspending available funds. In addition, DSHS/DVR projects that November 1, 2017, implementation will allow Priority Category 1 to remain open, ensuring individuals with the most significant disabilities access to services without a wait list. The FFY 2018 costs of serving existing IPE customers and new Priority Category 1 customers is projected to be \$33,000,000.

FFY 2018 case service spending of \$ 33,000,000 will require DSHS/DVR to direct an estimated \$7,000,000 of its carry-over funds to purchased services, leaving an estimated \$3,850,000 carry-over for FFY 2019.

Current case service and budget projections indicate that DSHS/DVR’s sustainable purchased service budget is between \$ 25,000,000 and \$26,000,000. FFY 2019 projections indicate this budget is sufficient to serve existing customers with IPEs, new Priority Category 1 customers, and between 600 – 800 Priority Category 2 customers who may be released from the wait list in small cohorts on a monthly basis.

DSHS/DVR is confident in the reliability of its case service and fiscal projection models. These models are based on 32 months of fiscal and case service data and include rigorous methods and data validations. However, baseline data were collected when DSHS/DVR was not operating under an order of selection and, because of this limitation, cautious interpretation is advised.

C. THE SERVICE AND OUTCOME GOALS.

Projected Service & Outcome Goals for FFY 2018

Projected Service & Outcomes Goals: FFY 2018

FFY 2018	Total IPEs	New IPEs	Average Annual Cost Per IPE	Total Case Service Costs	IPE Cases Closed	Rehabilitated Cases	Average Months Per IPE	Wait List
Category 1	5,740	2,760	\$3,300	\$18,900,000	2,370	1,390	15	0
Category 2	4,040	570	\$2,600	\$10,500,000	2,990	1,640	15	5,800
Category 3	150	20	\$2,850	\$430,000	130	70	11	160

Priority Category 1: Individuals with Most Significant Disabilities

- Total Customers Served under an IPE: 5,740
- New IPEs: 2,760
- Average Annual Cost Per IPE: \$3,300
- Total Priority Category 1 Case Service Costs: \$18,900,000
- IPE Cases Closed: 2,370
- Rehabilitated Cases: 1,390
- Average Months Per IPE: 15
- Total Customers Placed on a Wait List: 0

Priority Category 2: Individuals with Significant Disabilities

- Total Customers Served under an IPE: 4,040
- New IPEs: 570
- Average Annual Cost Per IPE: \$2,600
- Total Priority Category 2 Case Service Costs: \$10,500,000
- IPE Cases Closed: 2,990
- Rehabilitated Cases: 1,640
- Average Months Per IPE: 15
- Total Customers Placed on a Wait List: 5,800

Priority Category 3: Individuals with Disabilities

- Total Customers Served under an IPE: 150
- New IPEs: 20
- Average Annual Cost Per IPE: \$2,850
- Total Priority Category 3 Case Service Costs: \$430,000
- IPE Cases Closed: 130
- Rehabilitated Cases: 70
- Average Months Per IPE: 11
- Total Customers Placed on a Wait List: 160

Projected Service & Outcome Goals for FFY 2019

Projected Service & Outcomes Goals: FFY 2019

FFY 2019	Total IPEs	New IPEs	Average Annual Cost Per IPE	Total Case Service Costs	IPE Cases Closed	Rehabilitated Cases	Average Months Per IPE	Wait List
Category 1	6,000	3,150	\$3,300	\$19,800,000	2,675	1,400	15	0
Category 2	1,800	700	\$2,600	\$4,700,000	1,500	822	15	4,800
Category 3	40	0	\$2,850	\$110,000	40	22	11	160

Priority Category 1: Individuals with Most Significant Disabilities

- Total Customers Served under an IPE: 6,000
- New IPEs: 3,150

- Average Annual Cost Per IPE: \$3,300
- Total Priority Category 1 Case Service Costs: \$19,800,000
- IPE Cases Closed: 2,675
- Rehabilitated Cases: 1,400
- Average Months Per IPE: 15
- Total Customers Placed on a Wait List: 0

Priority Category 2: Individuals with Significant Disabilities

- Total Customers Served under an IPE: 1,800
- New IPEs: 700
- Average Annual Cost Per IPE: \$2,600
- Total Priority Category 2 Case Service Costs: \$4,700,000
- IPE Cases Closed: 1,500
- Rehabilitated Cases: 822
- Average Months Per IPE: 15
- Total Customers Placed on a Wait List: 4,800

Priority Category 3: Individuals with Disabilities

- Total Customers Served under an IPE: 40
- New IPEs: 0
- Average Annual Cost Per IPE: \$2,850
- Total Priority Category 3 Case Service Costs: \$110,000
- IPE Cases Closed: 40
- Rehabilitated Cases: 22
- Average Months Per IPE: 11
- Total Customers Placed on a Wait List: 160

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

Please see section VI.M.1.C.

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

Please see section VI.M.1.A.

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.

Current policy does not allow DSHS/DVR to assist eligible individuals who require specific services or equipment to maintain employment, regardless of an established order of selection.

In consultation with the Washington State Rehabilitation Council and the Client Assistance Program, DSHS/DVR is preparing to revise its order of selection and priority of service category policies in early 2018.

If adopted, these policy revisions will allow DSHS/DVR to serve eligible individuals who require specific services or equipment to maintain employment, regardless of the order of selection and priority of category assignment. Should these policy revisions be adopted, DSHS/DVR will update the appropriate sections of this State Plan for the 2018 required two-year modification.

PROPOSED AMENDMENT: SECTION VI.K ANNUAL ESTIMATES

K. ANNUAL ESTIMATES

DESCRIBE:

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

Introduction

This section identifies estimated numbers of customers DSHS/DVR expects to serve and associated case service costs. Specific attention is given to the impact of order of selection implementation on customer volumes, costs, and outcomes.

Annual Estimates

Beginning in October 2015, DSHS/DVR experienced significant increases in overall customer service volume and associated costs. Increased coordination with education agencies and workforce development partners as well as targeted outreach activities contributed to significant increases in applications received, eligibilities determined, new Individualized Plans for Employment (IPEs) written, and customers served.

Applications

FFY 2016 saw a significant increase in applications received by DSHS/DVR. After five consecutive years of declining application volumes, FFY 2016 applications rose by 15.5% over the prior year. The 10,920 applications received by DSHS/DVR were the most in a federal year since FFY 2011. FFY 2017 – FFY 2019 projections indicate this trend will continue.

DSHS/DVR Applications: FFY 2011 – FFY 2019

FFY	Applications	Percent Change from Prior Year
2011	11,198	-10.4%
2012	10,217	-8.8%
2013	9,734	-4.7%
2014	9,728	-1%
2015	9,450	-2.9%
2016	10,920	+15.5%
2017 (projected)	11,209	+2.6%
2018 (projected)	11,732	+4.6%
2019 (projected)	12,426	+5.9%

Eligibility Determinations

The significant increase in applications observed in FFY 2016 (+15.5%) was met with a corresponding increase in eligibility determinations (+14.1%). Costs associated with this influx of new customers

prompted DSHS/DVR to redirect nearly \$ 9,400,000 of carry-over funds toward purchased case services, depleting roughly one-third of DSHS/DVR carry-over reserves. These encumbered costs, as well as costs resulting from eligibilities determined in FFY 2017, have obligated DSHS/DVR to implement an order of selection on November 1, 2017.

DSHS/DVR Eligibility Determinations: FFY 2011 – FFY 2019

FFY	Eligibility Determinations	Percent Change from Prior Year
2011	9,753	11.0%
2012	9,007	-7.7%
2013	8,667	-3.8%
2014	8,685	1%
2015	8,616	-1%
2016	9,839	+14.1%
2017 (projected)	10,190	+3.5%
2018 (projected)	10,666	+4.6%
2019 (projected)	11,297	+5.9%

**2. THE NUMBER OF ELIGIBLE INDIVIDUALS WHO WILL RECEIVE SERVICES UNDER:
A. THE VR PROGRAM;**

Service Delivery under an Order of Selection

DSHS/DVR has determined that there will be insufficient resources to serve all eligible customers and will implement an order of selection on November, 1, 2017.

DSHS/DVR employs fiscal and case service projection models to estimate the numbers of individuals with disabilities who may be eligible, customers who will be served, and case service costs under an order of selection. While these projection models are reliable and rigorous, baseline data was collected prior to implementation of an order of selection and, as a result, cautious interpretation is advised.

VR Eligibility, Service Volume, Wait List, & Cost Projections for FFY 2018

DSHS/DVR Eligibility, Wait List, Service, & Cost Projections: FFY 2018

FFY 2018	Eligibilities Determined	Wait List	New IPEs	Total IPEs	Total Case Service Costs
Priority Category 1	4,480	0	2,760	5,740	\$18,900,000
Priority Category 2	6,027	5,800	570	4,040	\$10,500,000
Priority Category 3	158	160	20	150	\$430,000

Priority Category 1: Individuals with Most Significant Disabilities

- Eligibilities Determined: 4,480

- Customers Placed on a Wait List: 0
- New IPEs: 2,760
- Total Customers Served under an IPE: 5,740
- Total Case Service Costs: \$18,900,000

Priority Category 2: Individuals with Significant Disabilities

- Eligibilities Determined: 6,027
- Customers Placed on a Wait List: 5,800
- New IPEs: 570
- Total Customers Served under an IPE: 4,040
- Total Case Service Costs: \$10,500,000

Priority Category 3: Individuals with Disabilities

- Eligibilities Determined: 158
- Customers Placed on a Wait List: 160
- New IPEs: 20
- Total Customers Served under an IPE: 150
- Total Case Service Costs: \$430,000

VR Eligibility, Service Volume, Wait List, & Cost Projections for FFY 2019

DSHS/DVR Eligibility, Wait List, Service, & Cost Projections: FFY 2019

FFY 2019	Eligibilities Determined	Wait List	New IPEs	Total IPEs	Total Case Service Costs
Priority Category 1	5,111	0	3,150	6,000	\$19,800,000
Priority Category 2	6,027	4,800	700	1,800	\$4,700,000
Priority Category 3	160	160	0	40	\$110,000

Priority Category 1: Individuals with Most Significant Disabilities

- Eligibilities Determined: 5,111
- Customers Placed on a Wait List: 0
- New IPEs: 3,150
- Total Customers Served under an IPE: 6,000
- Total Case Service Costs: \$19,800,000

Priority Category 2: Individuals with Significant Disabilities

- Eligibilities Determined: 6,027
- Customers Placed on a Wait List: 4,800 (10,600 cumulative from FFY 2018)
- New IPEs: 700
- Total Customers Served under an IPE: 1,800
- Total Case Service Costs: \$4,700,000

Priority Category 3: Individuals with Disabilities

- Eligibilities Determined: 160

- Customers Placed on a Wait List: 160 (320 cumulative from FFY 2018)
- New IPEs: 0
- Total Customers Served under an IPE: 40
- Total Case Service Costs: \$110,000

B. THE SUPPORTED EMPLOYMENT PROGRAM; AND

Supported Employment Estimates

For 2017 - 2020, DSHS/DVR estimates the Title VI Supported Employment Grant will fund between 1,450 and 1,600 customers who receive supported employment services through Individualized Plans for Employment (IPEs), resulting in 300 - 400 supported employment outcomes per year. At these levels, DSHS/DVR estimates serving approximately 6,100 supported employment IPEs and producing 1,400 supporting employment outcomes during the four-year period of this plan. DSHS/DVR also will use the Title I Vocational Rehabilitation Services Grant to fund supported employment for additional customers when Title VI funds have been expended.

DSHS/DVR aligns Supported Employment services and resources with Priority Category 1 customers; only individuals with the most significant disabilities receive Supported Employment services. Therefore, DSHS/DVR does not anticipate that this amendment and order of selection implementation will affect the Supported Employment estimates established in the 2016 – 2020 DSHS/DVR State Plan.

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

Please see Section VI.K.2.A.

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

Please see Section VI.K.2.A.

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.

Please see Section VI.K.2.A.