

**Rule Summary and Fiscal Analysis (Part A)****Ohio Rehabilitation Services Commission**

Agency Name

Division

**Mary Theodoras**

Contact

**400 East Campus View Blvd Mail Station WA-2**  
**Columbus OH 43235-4604**

Agency Mailing Address (Plus Zip)

**614-781-8718**

Phone

Fax

**3304-2-58**

Rule Number

**AMENDMENT**

TYPE of rule filing

Rule Title/Tag Line

**Training.****RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **3304.16(A)**

5. Statute(s) the rule, as filed, amplifies or implements: **3304.16(H) and (K)(5)**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

The rule is scheduled for review in December 2004 to meet the requirements of H.B. 473. The rule is amended to update language; to add definitions; to establish a high school transition service requirement for consumers involved in work experience; to establish requirements for consumers seeking post-secondary educational training, a financial needs requirement, authorization procedures, and a waiver procedure; to clarify that consumers receiving Social Security Disability Benefits (SSDI) or Supplemental Security Income (SSI) disability income are provided post-secondary educational training services without consideration of financial need as specified in C.F.R. 361.54.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

The rule is amended to update language; to add definitions; to establish a high school transition service requirement for consumers involved in work experience; to establish requirements for consumers seeking post-secondary educational training, a financial needs requirement, authorization procedures, and a waiver procedure; to clarify that consumers receiving Social Security Disability Benefits (SSDI) or Supplemental Security Income (SSI) disability income are provided post-secondary educational training services without consideration of financial need as specified in C.F.R. 361.54. The rule lists the types of training available and requirements to obtain post-secondary education training services.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

*This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.*

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

*This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.*

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

*Not Applicable.*

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

*Not Applicable.*

12. 119.032 Rule Review Date: **11/30/2004**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

**FISCAL ANALYSIS**

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

-0-

The proposed amendments to the rule will neither increase nor decrease revenues/expenditures. During the current biennium, State Fiscal Year (SFY) 2004-SFY 2005, the proposed amendments will neither increase nor decrease revenues/expenditures. The proposed rule amendments will take effect in the SFY 2006-SFY 2007 biennium.

RSC's cost for post-secondary educational training services for consumers has escalated sharply in recent years, as illustrated below.

- In Federal Fiscal Year 2001, RSC provided post-secondary educational training services to 4,436 consumers at a cost of \$12,519,466.

- In Federal Fiscal Year 2004, RSC provided post-secondary educational training services to 4,875 consumers at a cost of \$18,446,001.

- From Federal Fiscal Year 2001 to Federal Fiscal Year 2004, the number of RSC consumers receiving post-secondary educational training services increased 9.9%, while the cost to RSC to provide these services increased 47.3%. This is an average cost increase of 13.8% per year.

Expenditures: It is projected that during the SFY 2006-SFY 2007 biennium the proposed amendments will decrease RSC's expenditures for consumers receiving post-secondary educational training services.

The proposed amendments shall require consumers seeking post-secondary

educational training services through RSC to contribute one hundred percent (100%) of their Expected Family Contribution (EFC) to the cost of those services. The EFC is calculated annually by the U.S. Department of Education (DOE) following receipt of a student's Free Application for Federal Student Aid (FAFSA). DOE prepares and sends the student a Student Aid Report (SAR), which includes the EFC.

The proposed amendments shall require the application of certain grant award monies to the consumer's direct post-secondary educational training expenses prior to any authorization of payment by RSC for those expenses.

Consumers seeking post-secondary educational training services through RSC who receive SSDI or SSI disability benefits, as reported in C.F.R. 361.54, are exempt from these requirements.

It is anticipated that reducing RSC's post-secondary educational training costs through consumers' contribution of their EFC shall result in a savings of approximately \$4,241,050 in Federal Fiscal Year (FFY) 2006 and \$5,786,495 in FFY 2007. This equates to a savings of approximately \$10,027,545 over FFY 2006 and FFY 2007. These savings projections are based on an analysis of trends in RSC spending and service delivery over the last four years, EFC data for academic years 2003-2004 and 2004-2005 taken from a sample of RSC consumers, and from consumer contribution data for academic year 2002-2003 taken from a sample of RSC consumers.

Additional savings will result from the application of certain grant-award monies to the consumer's direct post-secondary educational training expenses. The amount of these savings cannot be estimated at this time due to insufficient data regarding the number of RSC consumers who receive grant awards, the type of awards they receive, the amount of these awards, and the extent to which these awards are being applied to consumers' post-secondary educational training expenses prior to RSC's authorization of payment for these services.

Revenues: No increase or decrease in agency revenues is anticipated during the SFY 2006-SFY 2007 biennium as a result of the proposed amendments. RSC uses State funds for a federal matching grant. RSC has fully obligated revenues for services to consumers and administrative costs. RSC's budget proposal for SFY 2006-2007, which was submitted to the Office of Budget and Management in July 2004, would provide adequate funds (General Revenue Funds and other sources) to fully match projected federal vocational rehabilitation funds anticipated to be available.

No changes to RSC's overall SFY 2006-SFY 2007 biennium budget are anticipated as a result of these rule amendments.

It is projected that these rule amendments will decrease expenditures for post-secondary educational training services and free up funds that will enable RSC

to manage increased costs in this and other service delivery areas, while maintaining present levels of service provision. With these cost savings, no reduction in the provision of vocational rehabilitation services and/or post-secondary educational training services will be necessary.

Prior to proposing these rule amendments, RSC pursued alternative measures to be more fiscally responsible. Over the last few years, RSC has implemented several cost-saving measures, which include the following:

- RSC established both Fiscal Best Practices and College Best Practices in an effort to reduce and contain costs.
- RSC encourages staff to negotiate with post-secondary educational institutions to share in the payment of support-service costs for consumers who have special needs.
- RSC continues to develop and maintain interagency agreements with other state agencies to utilize their budgetary resources to serve mutually-eligible consumers.
- RSC has eliminated field offices, combined BVR and BSVI offices, and established agreements with Workforce Investment partners throughout the state to provide services from alternate locations (for example, One-Stop Centers).
- RSC's BVR and BSVI staff are being placed under a single supervisor in field locations to eliminate a dual chain of command.
- RSC began offering staff the opportunity to telecommute in an effort to reduce office space and contain administrative costs. This is especially beneficial for staff who spend much of their time in the field and to those whose work enables them to work from home.
- RSC instituted an Order of Selection in July 1990, prioritizing consumers to be served by the agency. Under the Order of Selection, RSC first serves consumers with most significant and significant disabilities. At present, RSC continues to operate under an Order of Selection.
- RSC continues to investigate and implement cost-saving methods.

Prior to proposing these rule amendments, RSC conducted focus group meetings throughout the state to gather consumer, advocate and staff input. After filing the proposed rule amendments, additional meetings will be held statewide with current RSC consumers of post-secondary educational training services and members of the statewide Consumer Advisory Council to provide information about the proposed rule amendments and to answer constituent questions. Formal training in administering the rule amendments will be provided to staff prior to the rule's effective date. As required by Ohio Revised Code 119.03, RSC has scheduled a public hearing to invite testimonials from interested parties.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

N/A

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

RSC's estimated cost of compliance with these rule amendments is negligible. RSC will establish a Post-Secondary Education Coordinator/Specialist position to work with RSC staff and post-secondary educational institutions in Ohio to facilitate the implementation of this amended rule. Hiring someone to fill this position will be cost neutral to the agency. RSC will use a position that is currently vacant within the agency to fill the new Post-Secondary Education Coordinator/Specialist position. No additional revenues will be expended to develop implementation procedures, train staff or educate constituents regarding the rule amendments. Excluding those who receive SSDI and/or SSI disability benefits as required by C.F.R. 361.54, RSC consumers' cost of compliance with these rule amendments will be the cost of their post-secondary educational training or one hundred percent (100%) of their EFC amount, whichever is less. The median EFC among a sample of RSC consumers was \$7,124 for academic years 2003-2004 and 2004-2005. RSC's average cost per consumer of post-secondary educational training services was \$3,788 in FFY 2004. Consumers would contribute no more than their EFC and would contribute less if their EFC exceeds the total cost of this service provision.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**