

Using Projections to Maximize Fiscal Resources • West Virginia Division of Rehabilitation Services

Abstract

The West Virginia Division of Rehabilitation Services (WVDRS) went into Order of Selection (OOS) in 1985, establishing four categories to prioritize rehabilitation services to individuals with more significant disabilities. Up until 2006, the agency had been able to serve customers in the first three OOS categories. In 2006, due to overextended financial resources, a waitlist was implemented, and for one year, no new customers were served.

To eliminate the waitlist, serve customers in all categories, and improve fiscal management, WVDRS began to review its data and make projections that allowed for better fiscal management and long-term planning. By using these projections, WVDRS was able to eliminate the waitlist and open all OOS categories for services. In 2009, the agency came out of OOS.

Background

In 2006, WVDRS staff recognized that the agency only had enough funds to serve customers who already had employment plans, and would not be able to fund new customers. A waitlist was implemented and 4,000 customers were placed on it. For a period of one year, no new customers were served. An underlying issue discovered during the difficult financial situation was a need to improve the tracking and payment system the agency used to purchase services and operating costs.

Purpose, Goals, and Implementation

The initial goal of the practice was to eliminate the waitlist, open all OOS categories for services, and stabilize the agency's financial management by using data-driven projections to maximize service funding and plan long-term.

a. Data-driven management under OOS

Fiscal tracking and budget management

One area of weakness was the agency's method of tracking budgetary information. This included remaining funds

available in the yearly budget and funds for services that had been contracted for or provided, but not yet paid for. In response, the agency developed enhanced methods of tracking how much money it had available and how much was being spent, and continue to monitor its fiscal situation at regular intervals (e.g., weekly or monthly). Two specific strategies have been developed:

- Cash forecast report: Shows available funds (i.e., cash on hand), known costs (e.g., operating costs or encumbered funds), and payments due.
- Modifications to how services are purchased: A consistent process to requesting purchase orders and paying for services, as well as several checks to ensure that service money is spent appropriately. These built in checks also ensure that the fiscal staff are involved with service money spending and can track it against available funds.

Projecting future resource demands

The agency determined the need to make several projections, including:

- Number of customers that it expects to have in the next fiscal year
- Level of expenditures that will be required to serve those customers
- Number of closures expected by priority category, including how many will close with an employment outcome; and
- Average time the agency expects customers (in each priority category) to spend in the VR system.

b. Using projections to make decisions and determine actions

Through the projections, WVDRS staff identified an imbalance between demand for VR services and availability of service funding. A decision was made that a disproportionate share of the agency's funding was being used to operate a rehabilitation center and that a better investment of resources would be to close the center and enhance services at the local level.

It was critical to get support on this decision from the state rehabilitation council, consumer groups, the legislature, and the governor's office. Our key informants relied on the projections to demonstrate the disproportionate cost of operating the center and the resulting insufficient funds. Because the agency could clearly demonstrate the benefits of reallocating the money to customers, there was less opposition to what otherwise might have been an unpopular decision.

c. Managing a VR agency post-OOS

Now that WVDRS is no longer under OOS, the agency continues to use a data-driven approach. The model used to project costs has become more sophisticated and the agency is addressing different issues. This includes: the need to build capacity of the Community Rehabilitation Providers (CRPs) within the state in order to provide services that were previously available at the rehabilitation center, and human resource management issues related to the influx of customers now that the agency is no longer operating under an OOS policy.

Two models of projecting costs have been introduced:

- Customer characteristics: WVDRS has been able to develop different average case-cost projections for transition-age youth (who often have cases open for longer periods of time), customers with blindness or low vision, and customers with hearing impairments or who are deaf (who often require hearing aids and services that last only one fiscal year).
- Trends in training costs by job goal: The fiscal management staff use total cost per case, average cost per case, and breakdown of cost by year (e.g., year one of the employment plan versus year two) to project an estimate of cost for customers seeking a particular job goal.

WVDRS did several things to facilitate the transition from center-based service provision to a more community-based model where services are provided by CRPs. The agency had to build the capacity of CRPs to provide these services, improve the working relationship between the agency and the vendors, and implement business practices with the vendors. The agency also focused on communication and relationship building with vendors, including holding

quarterly meetings by region to discuss the new fee structure and business practices.

The agency has also been working to resolve its human resources management issues. After WVDRS ended its OOS policy, there was an influx of new applicants, leading to a capacity issue at the counselor level. Due to low starting salaries and an insufficient number of qualified applicants, WVDRS has trouble recruiting and retaining staff. In response, the agency has begun to focus on retaining and training staff, including paying for master's level training. Other improvements involve prioritizing vacancies based on branch capacity, and changing the way in which policies and decisions are communicated from the executive management team to staff.

Results

By consistently reviewing data and making projections, WVDRS was able to go from having 4,000 customers on a waitlist under OOS in 2006 to opening all categories and coming out of OOS in 2009. Further, WVDRS used data and projections to increase from approximately \$4 million spent on customer services in 2006 to almost \$20 million spent on customer services in 2010. WVDRS continues to use projections to manage its fiscal resources. The process of using data and projections to assist with long-term planning has become part of the management philosophy of continuous quality improvement.

For more information about this practice, please contact:

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