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Rapid Consumer Engagement and Modernization

National Rehabilitation Leadership Institute (NRLI)

Cohort Q – Group 5

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Executive Summary

National data shows that performance of the vocational rehabilitation (VR) program rapidly declined from Federal Fiscal Years (FFY) 2016 to 2020. In that time, applications dropped by 46.6%, eligibilities for the program declined by 48.7%, and successful exits from the program decreased by 35.1%. Further examination of the national data indicates that VR programs historically experience high attrition from the program following application, seemingly due to the slow pace of the VR process and lack of meaningful engagement of applicants throughout the initial steps. Data from Program Year (PY) 2020 indicates that the more rapidly an applicant can be moved from application to eligibility and from eligibility to plan, the higher likelihood of successful exit in employment from VR. Specifically, individuals whose eligibility was determined within zero to five days of application, as opposed to 46-60 days, were 30% more likely to exit the VR program successfully. Additionally, individuals whose individualized plan for employment (IPE) was developed within one day as opposed to 61-90 days, were 16.43% more likely to exit the VR program successfully. This data clearly demonstrates the need for examining and modernizing the VR process and need to meaningfully engage individuals in the VR process early on (Compton, 2024).¹

¹ Compton, C. (2024, Aug. 27). *Rethinking engagement in the VR program* [Conference session]. National Rehabilitation Leadership Institute 2024 Session III Cohort Q, San Diego State University, San Diego, CA, United States.

This paper outlines the current issues affecting VR programs' ability to rapidly engage individuals in the process, fiscal implications, and provides recommendations to drive earlier access to VR services to meet the needs of a new generation of VR consumers who want and need services now.

Issue 1: The VR Process

Summary of Concern: Recently, Rehabilitation Services Administration (RSA) published a Technical Assistance Circular (TAC) 24-01 that focused on promoting meaningful and sustained engagement of individuals with disabilities in the VR program. TAC 24-01 further outlines several challenges related to the eligibility phase of the VR process including, difficulty collecting medical information, difficulty contacting the consumer, staffing shortages resulting in delays, and uncertainty regarding who is considered "qualified personnel," among others². The typical length of time a VR Counselor (VRC) has to get an applicant to eligibility is 60 days, or longer if extensions are given, and then an additional 90 days, or longer if extensions are given, to plan. Data has shown that 70% of individuals drop out of the VR process during the time from application to eligibility due to the time the process takes and lack of meaningful engagement.

Potential Solutions:

1. Simplify the process:
 - Centralize intake using a national QR code;
 - Allow VRCs to determine eligibility based on referral from another disability agency (e.g., Mental Health, Developmental Disabilities) and counselor observation;
 - Provide training on doing initial eligibility based on one disability instead of waiting for ALL medical on ALL disabilities;
 - Change timelines from 60 days to 30 days for eligibility and 90 days to 60 days for IPE;
 - Allow for counselor observation of visual disability to determine eligibility for VR services;
 - Consider automatic eligibility, not presumptive, if SSI/SSDI participant;
 - Consider automatic eligibility if access to Medicaid waiver;
 - Remove extensions for eligibility and IPE; and/or
 - Provide additional guidance, support and training surrounding interim eligibility determinations to all State VR agencies, as this may assist agencies in quickly engaging individuals while awaiting more information to support the final determination.³
2. Increase consumer engagement in the VR process early:
 - Manage consumer expectations by thoroughly explaining services to consumers in a way that they understand;

² United States Department of Education Office of Special Education and Rehabilitative Services Rehabilitation Services Administration (2023, October 30). TAC 24-01: Promoting Meaningful and Sustained Engagement of Individuals with Disabilities in the State Vocational Rehabilitation Services Program (Document No. RSA-TAC-24-01) United States Department of Education Office of Special Education and Rehabilitative Services Rehabilitation Services Administration. <https://rsa.ed.gov/sites/default/files/subregulatory/TAC-24-01.pdf>

³ Ipsen, C., & Goe, R. (2013). Premature exit from the Vocational Rehabilitation system. ScholarWorks at University of Montana, Employment, 20. https://scholarworks.umt.edu/ruralinst_employment/20

- Engage with consumers, which leads to greater successes (data shows that when consumers stay involved with services, they are more connected to their VRC);
- Utilize service models that facilitate rapid engagement and ultimately outcomes for consumers, (e.g., Individualized Placement and Supports (IPS), an evidence-based supported employment model developed for individuals with serious mental illnesses that emphasizes rapid job search).

Issue 2: Recruitment and Retention of Qualified Staff

Summary of Concern: Recruitment and retention of qualified VR staff face significant challenges, largely due to limited funding, which restricts competitive salaries and benefits. High caseloads and administrative burdens contribute to staff burnout and turnover, as counselors often struggle to provide individualized attention while managing heavy workloads. Inadequate training and professional development opportunities can further hinder staff satisfaction and effectiveness. Additionally, a lack of career advancement options discourages long-term commitment, while the specialized skill set required for VR counseling limits the pool of qualified candidates.

Potential Solutions:

1. Improve compensation for VRCs;
2. Ensure manageable caseload sizes for VRCs;
3. Provide more comprehensive training on topics including effective communication and engagement strategies, and career development opportunities;
4. Utilize technology (e.g., Big Sky Care Connect) to access needed medical more quickly; and/or
5. Reduce supervisory approval processes for VRCs.

Issue 3: Lack of Modernization

Summary of Concern: Generation Z, or Gen Z, includes individuals born roughly between the late 1990s and early 2010s or those currently aged 25 years and under. This generation is known for being tech-savvy and socially conscious and currently makes up the largest demographic served by VR. 85% of Gen Z uses social media to access information, emphasizing their priority on speed and convenience.⁴ It is also known that brand relevance matters to this generation. Brand relevance is fundamentally about maintaining a meaningful connection with consumers. It ensures that a brand remains integral to consumers' lives, influencing their decisions. Nielsen's report found that 62% of consumers prefer to buy from brands that are authentically aligned with their personal values.⁵ To stay relevant with Gen Z, brands need to be genuine, digitally savvy, and highly interactive. As such, VR could benefit from overarching program modernization. For example, changing the name of the VR program to something that better aligns with the services offered through the program and the value of disability employment at the national and/or state levels could make the program more appealing to potential consumers. Additionally, being able to more rapidly meet the needs of the

⁴ Galton Brands. (2024, March 18). Brand relevance: Navigating the future of consumer engagement. Galton Brands. <https://galtonbrands.com/branding/brand-relevance-navigating-the-future-of-consumer-engagement/>

⁵ Galton Brands. (2024, March 18). Brand relevance: Navigating the future of consumer engagement. Galton Brands. <https://galtonbrands.com/branding/brand-relevance-navigating-the-future-of-consumer-engagement/>

growing Gen Z population of VR clients who prioritize speed and convenience should be at the forefront of decisions around VR process modernization.

Potential Solutions:

1. Program modernization:

- Change name of program nationally and/or at state level (e.g., Rehabilitation = drug/alcohol rehab; VR = Virtual reality); states such as Massachusetts and Vermont have already changed their names to MassAbility and HireAbility respectively;
- Prioritize a social media presence;
- Tell better stories about the experience and impact of the program;
- Allow for electronic signatures through signature pads, DocuSign, etc.;
- Allow for use of Artificial Intelligence such as SARA, client communication software fully integrated into states’ existing case management systems; and/or
- Utilize text messaging and direct or personal messaging through social media.

Issue 4: Complexity of VR Funding

Summary of Concern: The fiscal structure of VR programs is highly complex, creating barriers to efficient resource utilization. According to the RSA’s Annual Report to Congress for Fiscal Years (FY) 2021–2022⁶, \$3.46 billion was allocated for program needs in FY2022, yet \$1.08 billion remained unspent. This gap reflects inefficiencies in disbursement and management rather than a lack of demand. With \$1.52 billion spent to assist 808,303 participants in Plan Year (PY) 2021, the average expenditure was approximately \$1,900 per client. Meanwhile, significant dropout rates between application and eligibility stages indicate that funds intended for services remain underutilized. Research further highlights that when consumers leave prematurely, both the individual and the system suffer financial and opportunity losses.⁷

Potential Solutions:

1. Simplify funding:

- Determine additional flexibilities in the Pre-Employment Transition Services (Pre-ETS) 15% set-aside requirement;
- Adjust funding requirements, such as the maintenance of effort (MOE) requirement which by law requires states to “maintain their effort” every year towards the state funding contributions to a VR program (if a state fails to do this, they will be penalized in subsequent years for their failure to do so); and/or

⁶ Office of Special Education and Rehabilitative Services. (2024). *Rehabilitation Services Administration report for fiscal years 2021-2022: Report on federal activities under the Rehabilitation Act of 1973.* <https://rsa.ed.gov/sites/default/files/publications/ARC%20to%20Congress/RSA-Annual-Report-for-FFYs-2021-2022.pdf>

⁷ Ipsen, C., & Goe, R. (2013). Premature exit from the Vocational Rehabilitation system. ScholarWorks at University of Montana, Employment, 20. https://scholarworks.umt.edu/ruralinst_employment/20

- Align match requirements across funding sources by removing MOE requirement for VR funding.

Further Considerations and Conclusion

It should be noted that this paper did not examine the phases of the VR process that come after IPE development. IPE services are the primary offering of the VR program and also integral to the successful outcome of participants. It would be worth examining the parts of the VR process that come after IPE development to determine ways in which the VR program could modernize and more meaningfully engage clients during service delivery through program exit.

RSA data from PY2021 underscores significant attrition within the VR process, particularly between the application, eligibility, and IPE development stages. Of the 349,913 individuals who applied for services, approximately 93,369 left the program prematurely. This represents a loss of both human potential and financial resources. Delays in engagement and procedural inefficiencies are major contributors to these early exits. To improve retention and engagement, efforts are needed to modernize the VR process, increase staffing and capacity, foster a supportive VR program culture, and reduce the complexities associated with the VR grant.

Had the system retained just 70% of these individuals, an additional \$1.24 billion in program costs might have been incurred, translating to improved employment outcomes, reduced reliance on social safety nets, and better utilization of Federal funds.

In conclusion, rapid engagement and modernization in VR is essential to effectively serve a diverse, evolving client base, especially younger generations like Gen Z. By modernizing practices, rebranding programs, and embracing innovative communication strategies, VR can enhance its appeal and accessibility. Emphasizing personalized engagement, client values and leveraging technology not only improve client satisfaction but also strengthen program outcomes and long-term success.

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