



Andy Beshear
Governor

Jamie Link
Education and Labor Cabinet Secretary

Public Policy Committee

Minutes
July 17, 2025
9:00am – 10:00am

Attendees:

Interim Chair, Katie Wolf Whaley, Justin Jeter, Allison Johnson, Andrew Johnson, Amy Luttrell and Jeff White.

Staff Attendees:

Nanci Howard, Kentucky Office of Vocational Rehabilitation Administrator, Holly Hendricks, KYOVR Division Director and Anu Kumari, KYOVR Administrative Specialist Senior.

Members Absent:

Cora McNabb and Leslie Hoffman.

Welcome:

Interim Chair, Katie Wolf Whaley welcomed everyone to the meeting. The agenda was reviewed by all participants.

Project NEON Update:

KYOVR Staff Assistant, Betty Whittaker, was unable to provide the report due to a prior work commitment. However, Committee Member, Jeff White, provided a brief update on the project.

He began by announcing there would be an upcoming staff training session for KYOVR counselors, with a focus on benefits planning. Information regarding the training was provided.

- Training Topic: Impact of wages on public benefits, with emphasis on Medicaid intersections, including 1915(c) and 1915(l) waiver services
- Date & Time: July 22nd, 9:00 a.m. – 12:00 p.m.
- Content Review:
 - Clear and well-structured
 - Accurate and highly informative
 - Especially valuable for staff unfamiliar with these subjects

The training aligns with Employment First principles and is considered a valuable initiative.

Customized Employment:

Interim Chair Katie Wolf Whaley provided an update on the ongoing work related to customized employment under the Project NEON initiative. The project includes a training component focused on advancing customized employment practices. Subject matter experts are currently conducting a gap analysis comparing Kentucky's Supported Employment Training Program (SETP) with national best practices. The workgroup's next meeting is scheduled for next week.

Order of Selection (OOS) Update:

An update was provided on the Kentucky Office of Vocational Rehabilitation's (KYOVR) ongoing policy development related to the Order of Selection (OOS). The final draft of revised priority category definitions is scheduled to be presented upcoming Statewide Council for Vocational Rehabilitation meeting on Monday, July 21, 2025. Following this review, KYOVR will begin the state regulation amendment process in coordination with Cabinet officials.

The timeline for implementation will depend on whether the proposed changes qualify for emergency regulation status. If approved as an emergency regulation, the process may be completed within a few months; otherwise, implementation could take six months or longer.

As of the current reporting period, there are 1,994 individuals on KYOVR's waitlist. It was noted that only individuals who have been determined eligible, but do not yet have an approved Individualized Plan for Employment (IPE), are placed on the waitlist.

All priority categories remain closed currently. Reopening categories or serving individuals on the waitlist will not be possible until the new definitions are formally

adopted through regulation and a financial analysis confirms sufficient resources to support expanded service delivery.

Committee Questions and Answers:

During the agency's last report, it was mentioned that your team had not yet received payment and was owed back funds. Has that issue been resolved, and have you received the outstanding payments?

Yes, the agency has received its funding.

Has the agency considered how it will train or educate vendors on the new priority levels and definitions, given the significant changes?

At this time, no formal discussions had been held regarding the development of educational materials or training for providers on the upcoming changes to priority category definitions. Internal staff training on these changes has also not yet been finalized.

Could you please clarify whether the agency still plans to follow the original proposal to close only Categories One and Two, or if that approach has changed due to funding constraints, the waitlist, and regulatory delays? Additionally, is the current focus primarily on updating regulations to align with the new priority category definitions?

Due to guidance from the Rehabilitation Services Administration (RSA), the Kentucky Office of Vocational Rehabilitation is currently unable to implement changes to the determination of priority categories until the revised definitions are formally reviewed and approved. Once approved, these changes will be incorporated into state regulation, publicly communicated, and supported through staff training.

At that time, individuals will be placed into the newly defined priority categories upon application.

When funding becomes available, priority will be given to individuals already on the waitlist in Category One, based on their original application dates.

Once level funding is achieved, the agency will reassess capacity and begin reopening priority categories incrementally. All decisions related to service expansion will be based on available resources and federal funding timelines.

What has the agency shared about the timing of reopening categories? However, serving individuals from the waitlist is a separate financial decision, correct? Could this occur before the new priority categories are formally adopted into regulation? The implementation letter stated a goal of serving individuals from the waitlist within three months. With that timeline approaching, is it still realistic to expect this goal will be met?

While it is technically possible to serve individuals from the waitlist prior to finalizing the new priority categories, such actions are contingent upon available funding. Currently, no funds are available, and the application process for additional allotments has not yet commenced. Accordingly, it is unlikely that the three-month timeline referenced in the implementation letter will be met. This represents an informal estimate and should not be considered an official projection.

Is the determination of priority status and placement on the waitlist conducted by Office of Vocational Rehabilitation (OVR) staff, or is this function handled by a contractor?

The agency does not have a contractor responsible for that function. However, it collaborates closely with the Education Cabinet, as fiscal operations are managed through that office.

Budget decisions are not made solely by the Executive Director or her staff; rather, they are coordinated with fiscal staff from the Education and Labor Cabinet, who provide budget oversight at the cabinet level.

Is PRE-ETS funding still separate from Order of Selection? I recall hearing it might be included at some point—has that changed, or is it still accurate that PRE-ETS operates outside of Order of Selection?

At present, the agency is not approaching expenditure limits for the PRE-ETS' 15% set-aside, and these services remain broadly accessible. The Order of Selection applies only after an individual has been determined eligible for VR services. Individuals receiving PRE-ETS prior to eligibility determination may continue to access those services. Conversely, individuals not receiving PRE-ETS before being placed on the waitlist are not eligible to initiate new PRE-ETS-funded services thereafter. It was suggested by a committee member that, in such cases, students may need to seek support through educational institutions or alternative funding sources, such as the Michelle P. Waiver, with education funding serving as the primary resource. The agency remains committed to maximizing service delivery within regulatory and fiscal constraints and continues to monitor funding availability to inform future service expansions.

Will the new priority category definitions be submitted as an emergency regulation (ER)? If so, is there a role the Council can play to support or expedite that process?

Discussion was held regarding whether composing a letter submitted by the Council could influence the determination for the request for ER change. However, uncertainty remains, and the agency defers to the Council on whether such correspondence might impact the outcome.

It was suggested to explore structured Memorandums of Understanding (MOUs) from other states as models for how employment services are delivered.

Legislative Liaison Position/ Bylaws

Discussion:

The Council reviewed the statutory language defining the vacant Legislative Liaison position. It was suggested that the Council's bylaws be revisited and potentially revised to align with the statute while providing a clearer definition of the liaison's responsibilities.

Key discussion points included:

- The legislation is clear about communication.
- The annual report is submitted once per year, this communication could be more flexible so as to provide information throughout the year.
- This will remain a topic of discussion as no specific recommendations were made.

The discussion concluded with general agreement that the liaison must have a comprehensive understanding of the Council's work and be empowered to effectively communicate its recommendations.

Public Comment:

No public comment addressed.

Adjournment:

Interim Chair, Katie Wolf Whaley thanked everyone for their contribution and adjourned the meeting.

Next Meeting:

Date: October 16th, 2025

Time: 9:00am to 10:00am (EST)

Administrator: Nanci Howard

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