



Andy Beshear
Governor

Jamie Link
Education and Labor Cabinet Secretary

Public Policy Committee

Minutes
February 13th, 2025
9:00am – 10:00am

Attendees:

Diana Merzweiler, Committee Chair, Katie Wolf Whaley, Council Chair, Jeff White, Andrew Johnson, Amy Luttrell, and Justin Jeter

Staff Attendees:

Nanci Howard, KYOVR Administrator, Holly Hendricks, KYOVR Division Director, Betty Whittaker, KYOVR Staff Assistant, and Anu Kumari, KYOVR Administrative Specialist Senior

Members Absent:

McNabb Cora, Gretta Hylton/Proxy, Luv Tesha Robertson, and Allison Johnson

Welcome/Announcement:

KYOVR Administrator, Nanci Howard and Committee Chair, Diana Merzweiler welcomed everyone to the meeting.

Project NEON Updates:

- KYOVR Administrator, Nanci Howard announced that new point of contact, Staff Assistant Betty Whitaker managing Project NEON for KYOVR.

- KYOVR Staff Assistant, Betty Whittaker shared updates on meetings with Subject Matter Experts (SMEs), Karen Lee and Michael Dalto to discuss the project's allotted 200 hours.
- Betty will be collaborating with council member, Jeff White, KYOVR Supported Employment/CRP Branch Manager, Ron O Hair and KYOVR Administrator, Donna Osburn for their expertise on the Project NEON.
- Nanci Howard mentioned council member, Amy Luttrell and Justin Jeter's involvement in Project NEON and Office of Disability and Employment Policy (ODEP), highlighting their contributions as well. Nanci Howard stated that the Project NEON is expected to end by August 2025.
- Jeff White suggested the development of the Memorandum of Understanding between OVR and BHDID and additional agencies might be more of a long-term project rather than using Project NEON hours.
- Betty Whittaker noted her communication with Karen Lee focused on SME hour allocation but had no contact with Trisha Jones-Parkin. Betty suggested a meeting with Karen and Trisha to clarify the process and determine next steps.
- KYOVR Staff Assistant, Betty Whittaker explained the plan proposed by Project NEON's SME Karen Lee and Trisha Jones-Parkin will focus on building capacity and providing customized employment in Kentucky, including detailed action items. Michael Dalto will focus on increasing benefits support for OVR, including customizing and delivering basic training on SSDI and SSI work incentives, improving Medicaid, and providing training on Kentucky-specific benefits for benefits planners.
- Katie Wolf Whaley expressed interest in being part of upcoming future discussions customized employment conversations.

CIE Definition Legislation Update:

- KYOVR Administrator, Nanci Howard provided an update on the competitive integrated employment definition that was approved and submitted by the Council. She reported there are no new developments or movement. Nanci concluded her report by agreeing to continue to provide updates to the committee as they arise.

Kentucky Department of Education - Educator Training Modules/IEP Document Review:

In the absence of KDE staff, Allison Johnson, Council Chair, Katie Wolf Whaley provided an update regarding the KDE educator training modules.

- Two subgroups were formed:
 - Transition - Curriculum

- IEP Document Review: Meeting scheduled for next week with interested members.

Benefit Cliff/Medicaid Discussion:

- Council Member Amy Luttrell led the discussion regarding the benefits cliff and Medicaid Buy-In. She announced there was a meeting conducted on January 23, 2025, in regard to the Project NEON and are awaiting guidance.

Medicaid Buy-In & Legislative Discussion:

- Jeff White shared with the committee [web documents](#) from the Tennessee Medicaid Buy-In policy.

Benefit Cliff Legislation and Medicaid Funding Discussion:

- Amy Luttrell clarified there has been no progress reported this session.
- Committee Member, Justin Jeter, said legislators anticipate major federal Medicaid funding changes. He shared a presentation regarding this information in the chat.
- Amy and Justin agreed that monitoring Medicaid developments is essential before moving forward.
- Council Member, Jeff White clarified that the opioid research grant is significantly impacted by the new federal cap on indirect expenses for grant-funded activities.

Additional Discussion on Federal Executive Orders:

- The committee discussed monitoring policy changes and executive orders. Committee Member, Justin Jeter highlighted a Federal Aviation Administration (FAA) related order that may impact hiring practices for individuals with intellectual disabilities.

2025 Annual Report Recommendations:

- KYOVR Administrator, Nanci Howard requested recommendations for the 2025 Annual Report. Chair, Diana Merzweiler stated that the committee plans to collect bullet points monthly or quarterly. Additional, items such as legislative language change surrounding competitive integrated employment and the approval of Project NEON hours. Diana highlighted that most recommendations are still in progress.

Public Comment:

No public comment addressed.

Adjournment:

Chair, Diana Merzweiler thanked everyone for their contribution and adjourned the meeting with a reminder of the next meeting date.

Next Meeting:

Date: March 13th, 2025

Time: 9:00 am to 10:00 am

Administrator: Nanci Howard

500 Mero Street • 4th Floor NE • Frankfort, KY • 40601

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Created by: Anu Kumari, Administrative Specialist Senior

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Public Policy Committee

Minutes
March 13th, 2025
9:00am – 10:00am

Attendees:

Katie Wolf Whaley, Council Chair, Jeff White, Amy Luttrell, and Justin Jeter

Staff Attendees:

Nanci Howard, KYOVR Administrator, Holly Hendricks, KYOVR Division Director, Betty Whittaker, KYOVR Staff Assistant, and Anu Kumari, KYOVR Administrative Specialist Senior

Members Absent:

Diana Merzweiler, Cora McNabb, Gretta Hylton/Proxy, Luv Tesha Robertson, and Allison Johnson

Welcome/Announcement:

In the absence of Committee Chair, Diana Merzweiler Council Chair, Katie Wolf Whaley welcomed everyone to the meeting.

Project NEON Update:

- KYOVR Staff Assistant, Betty Whittaker, shared a Project NEON update. She is working in partnership with nationally renowned Subject Matter

Experts (SMEs), Karen Lee, Tricia Jones-Parkin and Michale Dalto, to discuss the project's allotted 200 hours. Two milestones were highlighted.

Build capacity to provide Customized Employment in Kentucky:

- Create a customized employment process.
- Review the current CIE process used by vocational rehabilitation.
- Create a Fidelity tools.
- Review current CIE training provided by Human Development Institute.
- Create a rate system to support customized employment services, training and outcomes.

Create the capacity to increase SSDI and SSI benefits support for OVR:

- Customize and deliver basic training on SSDI and SSI work incentives for OVR.
- Research and advise OVR and other Kentucky partners on how to improve Kentucky's Medicaid Buy- In program. Work with national experts: Annette Shea – Expert on Buy-In programs. Hours provided by Robbie Barbieri – Tennessee-based non-profit advocate.
- Customize and deliver “Why on earth should I work my way off SSDI?”
- Customize and deliver training on Kentucky state specific benefits for benefits planners.

Coordination Efforts:

- Ron O'Hair, KYOVR Supported Employment/CRP Branch Manager will work with Karen Lee and Tricia Jones Parkin.
- Donna Osburn, KYOVR Administrator will handle the SSI and SSDI work with Michael Dalto.

CIE Definition Legislation Update:

- KYOVR Administrator, Nanci Howard provided an update on the competitive integrated employment definition. She reported there are no new developments or movement.

Kentucky Department of Education

Educator Training Modules/IEP Document Review

In the absence of KDE staff, Allison Johnson, Council Chair, Katie Wolf Whaley provide an update.

- **Transition Document** – Have been shared but have not yet been reviewed. There has been input around employment in the creation of the modules.
- **IEP Document Review:** A workgroup has been formed who include, Sara Tinker, Johnny Collett, Katie Wolf Whaley and Tal Curry to identify improvements for the IEP guidance document and association Transition documents.

Benefit Cliff/Medicaid Discussion

- Council Member Amy Luttrell provided an update on Medicaid Buy-In & Legislative action. She stated that Michael Dalto is helping develop a proposal to improve Kentucky's Medicaid Buy-In program to encourage work participation.
- The proposal will be ready to share prior to the 2026 legislative session in Kentucky.
- KYOVR Staff Assistant, Betty Whittaker advised Amy Luttrell to collaborate with Robbie Barbieri. Council Member, Amy Luttrell responded that her colleague Adam Haley is already involved.
- Council Member, Jeff White raised concerns about how the Medicaid Buy-In might affect work requirements and also highlighted concerns about Medicaid and Vocational Rehabilitation funding due to the federal budget uncertainty.
- Council Member, Amy Luttrell agreed and requested to be notified of any urgent matters.

Additional Discussion:

- Committee Member, Justin Jeter highlighted McGarvey's bill, the "Entrepreneurs with Disabilities Reporting Act," which aims to increase self-employment opportunities for people with disabilities.
- He also mentioned Senate Bill 178 and Senate Bill 202, along with the Office of Vocational Rehabilitation restructuring, Senate Bill 103 on OVR payments for CRPs, and changes to HB 9 and HB 695 on Managed Care Organizations (MCO).
- Council Chair, Katie Wolf Whaley shared with the committee that the Council's Executive Committee met to discuss a letter of support for a grant application. This grant, if awarded, will assist in improving the Vocational Rehabilitation Self-Employment process. Katie announced the Executive Committee approved the letter of support.

2025 Annual Report Recommendations:

- Council Chair Katie Wolf Whaley provided updates on the behalf of committee, noting that most of the recommendations are still in progress.

Public Comment:

No public comment addressed.

Adjournment:

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

Next Meeting:

Date: April 17th, 2025

Time: 9:00 am to 10:00 am

Administrator: Nanci Howard

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Public Policy Committee

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

Attendees:

Committee Chair, Diana Merzweiler, Amy Luttrell, Allison Johnson/Proxy of Gretta Hylton, Andrew Johnson, Katie Wolf Whaley, and Jeff White

Staff Attendees:

Nanci Howard, KYOVR Administrator, Holly Hendricks, KYOVR Director of Field Services Director and Anu Kumari, KYOVR Administrative Specialist Senior

Members Absent:

Cora McNabb and Luv Tesha Robertson

Welcome:

Employment First Public Policy Committee Chair, Diana Merzweiler welcomed everyone to the meeting. The agenda was reviewed by all participants.

Review of Order of Selection (OOS) Proposal:

Kentucky Office of Vocational Rehabilitation Administrator (KYOVR), Nanci Howard shared an announcement regarding KYOVR's OOS.

- Two, virtual public forums were held on April 14, 2025, at 10:00am and 6:00pm.

- A 10-day public comment period will close April 17th, 2025, at 4:00pm (EST).
- Questions, answers and comments from the forums will be posted on the agency website no later than April 25th, 2025, at noon (EST).

KYOVR's [website](#) and the link for public comments was provided to the committee.

Chair Diana Merzweiler, opened the floor for discussion on how OOS could affect, consumers, providers and other entities.

Brief discussion was held regarding the reasons for the closure of all categories. Statistical data was read aloud from the [KYOVR OOS Public Forum PowerPoint](#).

It was said that under OOS, KYOVR will continue to conduct assessments for new applicants only. The agency will continue to utilize Community Rehabilitation Programs (CRPs) and collaborate with vendors for assessment services. Individuals with assessment results can then use them as a resource for a workplace accommodation, etc. KYOVR plans to continue to provide services for over 15,000 Kentuckians with disabilities who currently have a signed Individualized Plan for Employment (IPE).

Members shifted their focus on how the impact of OOS could affect provider services throughout the Commonwealth. It was suggested to conduct research and provide additional resource materials to the provider base regarding alternate funding sources, potentially through the Kentucky Career Centers (KCC)

Amy Luttrell highlighted the Goodwill Opportunity Centers. These nine locations are located throughout Kentucky in, Louisville, Lexington, Morehead, Pikeville, Somerset, Corbin, Elizabethtown, Bowling Green, and Paducah.

An inquiry regarding KYOVR staff and their capacity to take more time establishing eligibility was raised. The agency does not foresee that determining eligibility for consumers would take longer to complete. The average time it takes counselors to determine eligibility is 30 days. It was said that over time, counselors' caseloads may be smaller due to consumers naturally exiting the program, but this will take several months before seeing the impact. Counselors will have more time to complete intake and eligibility and less time working on service delivery. Additionally, it was said that currently KYOVR is not filling positions that are vacant.

It was mentioned the KYOVR State Plan cannot be submitted until the definitions of categories one and two are rewritten, according to the Rehabilitation Services Administration (RSA).

Questions from the committee regarding definitions:

- What can the committee do to develop recommendations to address and eliminate the policy barrier of the redefining categories one and two?
 - Unknown until there is more OOS information available.
- Can the committee submit comments and who would those be directed to?
 - Yes, until April 17th, 2025, at 4:00pm.
 - Comments from the committee can also be submitted to Council Administrator, Nanci Howard or KYOVR Field Service Director, Holly Hendricks.
- What is the process for addressing the category definitions, submitting them, etc.? Have the definitions been written and submitted?
 - Public comment period ends; edit definitions begin; submit State Plan to RSA; approval of State Plan. The definitions will not be written until after the public comment ends as per RSA.

For the most current information about OOS, it was advised to refer all individuals to the [KYOVR website](#).

The reason for OOS was explained further by KYOVR Director of Field Services, Holly Hendricks. She said category one and two both state “most significant disabilities”, KYOVR must treat them the same resulting in the closing of all four categories as directed by RSA.

Chair Diana Merzweiler asked, how the Council could express concerns regarding the impact the state match would have if the federal funding is not received and what that situation would look? It was explained that KYOVR Director of Field Services, Holly Hendricks, there is a state match program and what federal funds are available determines the state match requirement. There is a formula to determine this set by RSA. It was stated, that whether the congressional budget for the public VR program is increased or decreased, it is going to have an impact on what is required from the Commonwealth to match those funds.

Chair, Diana Merzweiler asked if there will be funds available to allocate over and above the match. KYOVR staff support for the committee, stated yes, there is. However, there is a reallocation process that RSA conducts should states not receive their full federal match dollars. Additionally, KYOVR is unable to fill any vacant personnel positions because of the lack of funds unless that position is related directly to Pre-ETS.

The Chair then asked if there was a path the committee can advocate at a federal level? Committee member, Amy Luttrell, and several individuals from Goodwill Industries, Inc., will be traveling to DC at the end of April to discuss some items with Congressmen and will mention the barriers to funding.

It was decided among the committee to meet again before the July full Council meeting once more information is received regarding OOS definitions and funding. At that time,

the committee will discuss how they can move forward with potential recommendations. It was decided among the committee to meet in May 2025.

It was asked once the KYOVR State Plan is submitted, will it be made public? The State Plan will not be made public until it is approved by RSA.

Action Steps

- Schedule additional Public Policy meeting to review OOS.
- Review OOS Comments/Questions and Answers at [KYOVR website](#) once available.

2025 Annual Report Recommendations:

No recommendation addressed.

Public Comment:

No public comment addressed.

Adjournment:

Council Chair, Diana Merzweiler, thanked everyone for their contribution and adjourned the meeting.

Next Meeting:

Date: May 15th, 2025
Time: 9:00am to 10:00am

Administrator: Nanci Howard
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Public Policy Committee

Minutes
May 15, 2025
9:00am – 10:00am

Attendees:

Council Chair, Katie Wolf Whaley, Justen Jeter, Allison Johnson, Andrew Johnson, and Jeff White

Staff Attendees:

Nanci Howard, Kentucky Office of Rehabilitation (KYOVR) Administrator, Holly Hendricks, KYOVR Division Director and Anu Kumari, KYOVR Administrative Specialist Senior, Betty Whitaker, KYOVR Staff Assistant.

Members Absent:

Diana Merzweiler, Cora McNabb, Luv Tesha Robertson, and Amy Luttrell

Welcome:

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

Project NEON Update:

KYOVR Staff Assistant, Betty Whitaker provided an update on Project NEON ongoing activities.

Highlights:

Customized Employment:

Ron O'Hair, KYOVR Supported Employment, Tricia Jones Parkin and Karen Lee, SME's, continue to work on the plan for Customized Employment. They are reviewing the current competencies created by ACRE (Association of Community Rehabilitation Educators) and documents about Customized Employment created by WINTAC. They have created a crosswalk between KY CE/ACRE/Best Practice. They will be moving into the process of creating the framework and recommending components of the curriculum in the next few weeks.

Benefit Planning and Support:

Michael Dalto, SME, has met with the team of advocates, obtained lots of information about Tennessee's successful effort to create a robust Medicaid Buy-In Program, and enlisted Tennessee's primary advocate for their Buy-In, Robby Barbieri, to provide information about his research on other states' efforts as well, and to fund 3 hours of consulting from Annette Shea, the leading national expert on Medicaid Buy-In programs. Michael has a meeting scheduled with the advocates to identify precisely how they want Annette to assist the effort.

Upcoming Staff Trainings on Benefits Planning:

Betty Whittaker reported on upcoming OVR staff trainings. Three sessions were scheduled as follows:

- Why on earth should I work my way off SSDI? – July 8th, 9:00am - 11:00am.
- HUD Rental Assistance Programs – July 15th, 9:00am - 12:00pm.
- Medicaid – July 22nd, 9:00am - 12:00pm.

These three trainings will be offered to all OVR staff, especially counselors and assistants who would benefit from a deeper understanding of the topics to better support consumers with benefits planning. Committee member, Jeff White connected with Jordan Griffin from Department for Medicaid Services regarding the trainings, which are currently under review at the state level.

Order of Selection (OOS) Update:

An announcement regarding KYOVR's Order of Selection (OOS) was shared. Effective date May 14, 2025, KYOVR implemented Order of Selection and are temporarily closing

all priority categories. A formal notification is posted on the KYOVR [website](#) for interested stakeholders seeking additional information.

Key highlights included two public hearings:

- The first public hearing focused on the closure of categories.
- The second public hearing addressed priority category definitions and guidance from the Rehabilitation Services Administration.

Committee members were encouraged to provide any comments, recommendations or feedback pertaining to the implementation of the Order of Selection.

- There are currently three categories:
 - Priority Category 1: Eligible individuals with a most significant disability and that limits three (3) or more functional capacities.
 - Priority Category 2: Eligible individuals with a most significant disability that limits two (2) functional capacities.
 - Priority Category 3: Eligible individuals with a significant disability that limits one (1) functional capacity.
 - Priority Category 4: Eligible individuals with a non-significant disability.

Services would continue to be provided to individuals on the waitlist based on the existing priority category definitions.

- Current definitions of priority categories will remain in effect until revised definitions are formally implemented as part of the agency's ongoing efforts to redefine the priority categories.
- Individuals currently on the waitlist would remain in their originally assigned priority category to ensure that no applicant was inadvertently penalized by changes to the category definitions.
- Services would continue to be provided to individuals on the waitlist based on the existing priority category definitions.
- The agency is currently developing clear definitions for "individual with the most significant disability," "individual with a significant disability," and "individual with a non-significant disability," consistent with federal regulations.

Committee Questions and Answers:

Is it possible for individuals to be removed from the waitlist before the definitions are finalized?”

Yes, if the agency determines it has enough money to serve individuals off of the wait list.

“Will individuals begin to be moved off the waitlist based on the current definitions, particularly in regard to application versus eligibility?”

The agency would proceed with serving individuals from the waitlist at the earliest opportunity, even if the new priority categories had not yet been finalized, reviewed, or approved.

“What is the current wait list and how much do you expect assuming this progress growth in applications?”

There are approximately 880 individuals had been placed on the waitlist as of May 14th, 2025 and is expected to increase as applicants are determined eligible each month. These individuals had applied for services, had been determined eligible, but had not yet developed or implemented an Individualized Plan for Employment (IPE), On average, each caseload had around 10 individuals that were placed on the wait list that day.

“Could you clarify whether the September or October timeframe pertains to movement on the waitlist, the opening of a service category, or the implementation of a policy change?”

Agency and Cabinet leadership continues to meet monthly to track waitlist numbers' progress and adjust projections as needed.

"Does the requirement for multiple services imply that, in addition to supported employment, an individual would also need to receive other services such as rehabilitation technology, education, or similar supports to meet the criteria?"

Guidance and counseling are considered baseline services. To meet the criteria for category one, individuals would need to require additional services.

"If the federal standard for reimbursement to state agencies changes—particularly regarding the definition of 'most significant disability'—does the department plan to revise its definition to comply with the updated federal standard?"

Relevant federal regulations are outlined in Title 34 of the Code of Federal Regulations (CFR), specifically in section 361.5, which contains the applicable definitions. Any time federal definitions change, OVR must ensure our definitions are reviewed to ensure they are not in conflict with federal definitions.

“In defining the different disability categories, do you use predetermined criteria—such as aligning specific diagnoses with certain categories—and then count all individuals with those diagnoses as falling under that category?”

No, classification within the Order of Selection was not determined by specific diagnoses, but rather by the unique impact of one or more disabilities on each individual.

- A state resource document was shown which is intended to provide additional resources to consumers who may need services beyond those provided by KYOVR.

“How can the Employment First Council share information regarding OOS with individuals?”

Council members should direct members of the public to the OVR website to ensure consistent and accurate information is shared.

Once the full batch of draft language is prepared, will the definitions be submitted to RSA for approval first and then incorporated into the broader policy changes?

RSA's involvement in the process has concluded. The agency will now proceed through the state's established process, which includes finalizing the definitions and releasing them for public comment.

Will the definitions, along with the other proposed changes—such as the order of selection and eligibility criteria—be released for public comment as a single, consolidated package?

The entire package will be included in the public comment process.

2025 Annual Report Recommendations

It was recommended there be continued collaboration with Project NEON, specifically focusing on Medicaid buy-in and its relation to the 1115 amendment.

Additional Discussion:

Committee members briefly discussed the positives regarding the Medicaid demonstration grant that will include community engagement and work requirements as it addresses the Medicaid expansion population.

Public Comment:

No public comment addressed.

Adjournment:

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

Next Meeting:

Date: July 17th, 2025

Time: 9:00am to 10:00am

Administrator: Nanci Howard

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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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Public Policy Committee Minutes

October 16, 2025
9:00 am – 10:00 am (EST)
Zoom

Members Present

Katie Wolf Whaley, Amy Luttrell, Jeff White, Andrew Johnson, Allison Johnson, and Michelle Thrift

Members Absent

Cora McNabb and Leslie Huffman

Staff Present

Nanci Howard, Anu Kumari, Kristen Beach, and Betty Whittaker

Welcome | Agenda Review

Interim Committee Chair, Katie Wolf Whaley, welcomed attendees. The agenda was reviewed by all participants.

Project NEON Update

The remaining Project NEON hours were utilized to advance two priority areas:

- Benefits Planning
- Customized Employment (CE)

Benefits Planner Trainings

Subject-matter expert (SME), Michael Dalto, delivered four trainings, which were recorded for later use. Trainings provided were:

- “Basic SSDI and SSI Work Incentives” — 44 attendees
- “Why On Earth Should I Work My Way Off SSDI” — 38 attendees
- “Kentucky Medicaid” — 29 attendees
- “HUD Rental Assistance Programs” — 25 attendees

Recordings were uploaded to OVR’s YesLMS, in-house training system. OVR Staff Assistant, Betty Whittaker, plans to coordinate with OVR training staff to determine appropriate external sharing options (e.g., to provide secure links).

Improving Medicaid Works (Kentucky’s Medicaid Buy-In Program)

More Project NEON updates involved:

- Assembling a five-member advocacy group to urge legislation in the upcoming General Assembly.
- Researching other states’ Medicaid Buy-In programs, specifically, Tennessee, to compile fiscal and policy data.
- Securing donated hours with SME, Annette Shea, a nationally recognized expert in Medicaid Buy-In.
- Applying for more technical assistance hours, due by November 14, 2025.
- Asking Adam Haley (Goodwill) and Jeff White to track opportunities to align the Buy-In effort with broader discussions on benefit cliffs and employment incentives.

Sustainability Planning and Continuing Momentum for 2026

To ensure ongoing impact and long-term sustainability, Project NEON is implementing the following strategies:

- To develop a training update key to facilitate annual updates and ensure the continued accuracy of training content.
- To maintain training recordings for continuous staff development and new employee orientation.
- Plan an upcoming training focused on how to use Disability Benefits 101 (DB101), an interactive online platform designed to enhance benefits counseling and employment planning.

Customized Employment (CE)

Customized Employment projects were led by SME, Karen Lee and Tricia Parkin-Jones.

Key accomplishments included were:

- Completed a gap analysis of CE training and fidelity alignment.
- Developed targeted training enhancements and redesigned the CE process flow for clarity and integration.
- Outlined tools (e.g., referral rubrics) to help counselors identify CE candidates earlier and strengthen discovery and proposal development.

- Intended outcomes included:
 - Systematic tracking of job-seeker outcomes via improved documentation.
 - Enhanced job placement quality and fit for individuals with the most significant disabilities.
 - Expanded provider and VR capacity for individualized CE implementation.
 - Reinforcement of Kentucky's Employment First framework and expanded access to competitive integrated employment (CIE).

Although Project NEON officially concluded, partners continued CE-related work through other resources. A pilot of the redesigned CE training is planned for early 2026.

Order of Selection Update

The Kentucky Office of Vocational Rehabilitation provided an update on the status of the Order of Selection (OOS).

- At the time of this meeting, 3,542 individuals were on the KYOVR waitlist.
- OVR is working with fiscal staff to develop a process for opening categories and serving those currently on the waitlist.
- Emergency regulations were submitted for approval, and once approved, they will go into effect immediately.
 - Under the revised structure:
 - Category 1 will remain *Most Significantly Disabled (MSD)*.
 - Category 2 will become *Significantly Disabled (SD)*.
- OVR Staff have received updated training on OOS and how to implement changes once emergency regulations are approved.
- Consumers are encouraged to continue applying for services since the waitlist because service delivery depends on the application date.

Question: When the Order of Selection first went into effect, there were two issues holding up funding. What is the status of that now? Are we anticipating any change soon?

Answer: The Office of Vocational Rehabilitation continues to await confirmation of total funding and any additional COLA adjustments.

Question: Has OVR received any additional funding or reallocations?

Answer: Yes. KYOVR received an additional reallocation award earlier in the fall (announced around August), in addition to the regular grant award.

Question: Do both the financial and regulatory issues need to be resolved before categories can reopen?

Answer: Yes, both must be addressed before reopening categories.

- The definition issue must be finalized through approval of the emergency regulations.
- The financial issue requires having sufficient funding available to serve additional individuals.

Question: Is there concern that delays or reduced spending might impact Kentucky's federal allocation in the future?

Answer: No. There is no indication that Kentucky's future allocation will be negatively affected.

Question: Are OVR staff continuing to serve active cases during the waitlist period?

Answer: Yes. OVR continues to serve individuals with active cases, and counselors are actively helping clients identify comparable benefits and community resources.

Question: Are RSA staff affected by the shutdown, and will that delay funds or communication?

Answer: RSA has advised KYOVR to continue submitting required reports and maintain regular operations while awaiting further updates.

Legislative Liaison Position | Bylaws Discussion

The Committee discussed proposed revisions to the Council’s bylaws to clarify and strengthen the Legislative Liaison role, ensuring clear authority, accountability, and alignment with Cabinet policies and statutory requirements.

Below is proposed language:

In addition to the annual report submitted by the Council (KRS 151B.213(5)), the legislative liaison shall communicate with the legislative and executive branch about the Council’s progress pursuant to KRS 151B.212-213 as needed, and as approved by the Executive Committee.

- ***The legislative liaison shall, on behalf of the Council, direct communication with the legislative branch to the relevant legislative committees and in consultation with the Department of Workforce Development;***
- ***The legislative liaison shall, on behalf of the Council, direct communication with the legislative branch to the relevant legislative committees and in consultation with the Department of Workforce Investment;***
- ***The legislative liaison shall remain abreast of the work of the Statewide Council for Vocational Rehabilitation to ensure Employment First Council work is separate and distinct.***

Kentucky Office of Vocational Rehabilitation Administrator, Nanci Howard will confirm whether Cabinet review occurs before or after Council approval.

The Legislative Liaison position is currently vacant following a prior resignation. Council member, Andrew Johnson, expressed interest in serving. His nomination will be presented at the January 2026 quarterly council meeting. Election of officers will also be held January 2026.

Public Comments

None.

Adjournment

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

Next Meeting Date

December 2025
To be determined