Dear Mr. Chairman:

In response to your request we reviewed implementation of the order of selection provision of the Rehabilitation Act of 1973. This report presents the results of our review and makes recommendations to the Secretary of Education to improve the effectiveness of the Department's administration of the provision.

Copies of this report are also being sent to the Secretary of Education, appropriate congressional committees, and other interested parties. Please call me on (202) 275-1793 if you or your staff have any questions about this report. Other major contributors are listed in appendix III.

Sincerely yours,

Franklin Frazier
Director, Education and Employment Issues
Executive Summary

Purpose

Program funding for vocational rehabilitation was sufficient to serve only a small part, about 7 percent, of the estimated 13.4 million persons with disabilities who were potentially eligible in 1989. The Congress recognized that choices had to be made about whom to serve; therefore, in the Rehabilitation Act of 1973, the Congress required that programs focus services on those with severe disabilities. Further, the act requires that states that cannot serve all eligible applicants must prioritize services to those with the most severe disabilities through an order-of-selection procedure.

The Chairman of the Subcommittee on Select Education, House Committee on Education and Labor, asked GAO to determine why some states do not use order of selection, how other states implement order of selection, and how the Department of Education oversees state compliance with the requirement.

Background

The vocational rehabilitation program helps those with disabilities become employed and integrated into the community. It does so by directly providing services—such as guidance, counseling, and job placement—and by purchasing other services—such as therapy and training—from other service providers. The Department of Education's Rehabilitation Services Administration oversees the $1.9 billion program, with federal funds covering about 80 percent of program costs.

Order of selection can be implemented in a variety of ways but, generally, counselors assign each client to one of several priority categories, reserving the highest for those with severe disabilities. Purchased services generally remain unavailable to clients in the lowest priority categories, although all clients receive nonpurchased services.

As part of its review, GAO visited vocational rehabilitation agencies in 20 states, GAO selected 9 because they were the only states that had relatively extended experience (2 or more years) with order of selection. The remaining 11 were among those with little or no experience; GAO calls these non-order-of-selection states, GAO's review focused on how and why states implemented order of selection and why some states had not implemented it, not on other approaches states may use to meet the act's intent to focus services on those with severe disabilities, GAO did not attempt to assess states' compliance with the act's order-of-selection requirement.
Executive Summary

Results in Brief

Nationally, more than half the states have never used order of selection. The 11 non-order-of-selection states GAO visited said that they were in compliance with the act because they could serve all eligible applicants. However, many of these 11 states use caseload management techniques—such as reducing outreach efforts—to limit applicants when resources are not available to serve additional clients. Though not necessarily intended to do so, such actions can make it appear that states are meeting demand and, therefore, have no need to set priorities for services, when, in fact, people who want and may be eligible for services are waiting to apply. Also, GAO found indications, such as waiting lists, that local offices sometimes had difficulty meeting demand.

Non-order-of-selection states also had concerns about order of selection—for example, that it was unfair or would be administratively burdensome to focus services on those with severe disabilities. Experience in the order-of-selection states, however, suggests that it can be a fair and manageable way to set priorities for limited resources.

Order of selection may be an important factor in increasing services to those with severe disabilities, GAO found that overall the caseload percentage of clients with severe disabilities among the nine order-of-selection states was substantially higher than the caseload percentage among all other states. Order of selection may not have been the only factor causing these differences, but officials in the nine states believed it was an important one.

The Rehabilitation Services Administration has provided inadequate guidance and oversight with respect to order of selection. Administration guidance on when to use order of selection focuses on past ability to serve applicants rather than current resources. Current guidance allows a state to deplete resources before implementing order of selection rather than anticipating and planning for a resource shortfall. The guidance also is unclear about how caseload management practices should be considered in determining if all applicants can be served. Further, in monitoring state programs, the Administration does not assess state determinations about whether they can serve all applicants and, therefore, whether they must use order of selection, GAO believes that better program guidance and oversight could result in increasing the number of people with severe disabilities served by more fully focusing resources on them.
GAO Analysis

Why States Had Not Implemented Order of Selection

The 11 states said they could serve all applicants and, therefore, were in compliance with the law without using order of selection. While GAO did not try to assess state compliance with this requirement, it did find that states use a variety of ways to increase or decrease the number of applications received. For example, in 5 of the 11 non-order-of-selection states, counselors eliminated or reduced outreach efforts when demand exceeded resources, GAO also found some local offices in 4 states had to defer applications or purchase of services for several weeks because of funding shortages.

Order-of-Selection States Find the Procedure Useful

In the nine order-of-selection states, officials said it is an effective procedure to prioritize services to those with severe disabilities. Most also said it is an effective way to manage limited resources.

In the 11 non-order-of-selection states, officials raised concerns about implementing order of selection; these include administrative burden—for example, in reeducating referral sources as to who could receive what type of services—and inequity in denying purchased services to clients with less severe disabilities. Order-of-selection states, however, did not share these concerns, GAO believes that one key factor in reducing problems may be that most order-of-selection states implemented it continuously rather than going on and off as resources fluctuated. GAO believes that disseminating information on how states implement order of selection successfully could help address the concerns raised by non-order-of-selection states.

Data showed that use of order of selection is associated with caseloads with a higher percentage of clients with severe disabilities. For example, from 1976 through 1989, caseloads in order-of-selection states contained a substantially higher percentage of persons with severe disabilities (78 percent) than did caseloads in non-order-of-selection states (57 percent). Sufficient data were not available to determine whether the difference was attributable solely to order of selection or also to other efforts under way to focus on those with severe disabilities. Officials in order-of-selection states, however, said order of selection was largely responsible for increasing the percentage of clients with severe disabilities.
Rehabilitation Services Administration Has Provided Inadequate Guidance and Oversight

The Rehabilitation Services Administration has provided inadequate guidance and oversight to address state concerns about implementing order of selection. State officials have different interpretations of the circumstances under which order of selection is required and said the guidance in the program manual was of little use. More importantly, a state may have already depleted available resources if it waited for the conditions suggested in the manual to be present before implementing order of selection. Further, GAO found interpretations differed among the Administration's regional offices, which monitor state programs, as to when order of selection is required and whether the Administration could mandate its use.

The Rehabilitation Services Administration has not taken a lead role in helping states implement order of selection. For example, in its oversight of state programs, the Administration does not determine whether states are complying with the requirements of order of selection because it does not assess state decisions about whether they are serving all applicants. Also, the Administration has not taken steps to facilitate information sharing among states about the procedures, although the program manual encourages such information exchange.

Finally, some program officials have mixed views about order of selection. Some believe states have to balance the goal of increasing service to those with severe disabilities against the possibility of significantly reducing the overall number of clients served. However, congressional intent to focus services on those with severe disabilities is clear, despite the more costly services required.

Recommendations to the Secretary of Education

GAO recommends that the Secretary direct the Commissioner of the Rehabilitation Services Administration to establish clearer criteria for determining if and when states must use order of selection; disseminate information on states' successful order-of-selection experience to help address concerns of states without experience; and direct regional offices to review state determinations about whether order of selection needs to be implemented, and, if so, enforce its use.

Agency Comments

The Department of Education concurred with GAO's recommendations and said it would revise its program manual, conduct staff training, and consider what regulatory changes may be needed to fully implement the recommendations.
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Abbreviations

SSDI Social Security Disability Insurance
SSI Supplemental Security Income
In 1989 the Vocational Rehabilitation Program served less than 1 million of the estimated 13.4 million work-disabled Americans. In the early 1970s, the Congress became concerned about whether limited funds in the program were properly targeted. This concern resulted in legislation aimed at increasing the program's focus on serving individuals with the most severe disabilities. Order of selection, a provision of the Rehabilitation Act of 1973, requires that states give priority to serving individuals with the most severe disabilities when states are unable to serve all eligible applicants. Though many years have passed since the provision was enacted, states still have questions concerning the circumstances under which order of selection is required. They also question how it should be implemented and what effect it has on the number and mix of program participants.

Since 1920, the federal and state governments have helped individuals with disabilities achieve employment through the national Vocational Rehabilitation Program. Operating as a federal-state partnership, the federal role has been one of leadership and provision of resources. The states' role has been to administer the program.

The Rehabilitation Services Administration, Office of Special Education and Rehabilitative Services, Department of Education, oversee the program at the federal level. Through its regional offices, the Administration is responsible for providing technical assistance and leadership to the states. The Administration must approve state plans—which detail proposed operations, service priorities, and budgets—before a state can receive federal funds. A designated state agency administers the program and supervises its administration through local offices within the state. The state agency and local offices are responsible for providing or arranging for all services and assistance to individuals with disabilities under this program.

Federal funds are distributed among the states based on population and per capita income. There is also a state matching requirement. Initially, the federal and state governments shared equally the costs of the program. The federal share grew, however, so that the state matching share in fiscal year 1988 generally was 20 percent of program costs. Beginning in fiscal year 1989, a state matched, at an additional 1 percent per year

'Although the Rehabilitation Act of 1973 (P.L. 93-112) uses the phrase "individuals with handicaps," we use "disabled" throughout the report to be consistent with the language in the Americans With Disabilities Act of 1990 (P.L. 101-336).
for 5 years, any increased amount it received above its 1988 allotment. The federal and state expenditures for fiscal year 1989 totaled about $1.9 billion—more than $1.4 billion from the federal government and $400 million from the states.

**History of the Program**

Since the program was established in 1920, the kinds of disabilities covered and the services offered have changed. Originally, the law covered only those with physical disabilities and limited services to training, counseling, and placement. Over the years, the Congress broadened coverage to include those with mental disabilities and permitted a wider range of services to help individuals with disabilities achieve employment.

To qualify for the program now, a person must

- be physically or mentally disabled,
- have a disability that imposes a substantial handicap to employment, and
- have a reasonable expectation of benefiting from vocational rehabilitation services.

**Focus Shifts Toward Individuals With Severe Disabilities**

The Rehabilitation Act of 1973 requires states to give priority to serving people with the most severe disabilities. The Congress recognized that since resources would not be sufficient to serve all in need, choices would have to be made in terms of whom to serve.

Once determined disabled and eligible for the program, a person is defined by the act as severely disabled if he or she

- has a severe physical or mental disability that seriously limits one or more functional capacities (such as mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills) in terms of employability;
- can be expected to require multiple vocational rehabilitation services over an extended period of time; and
- has one or more physical or mental disabilities resulting from a list of conditions specified in the act (such as amputation, autism, cystic fibrosis, head injury, mental illness, and quadriplegia).

The act directs the Rehabilitation Services Administration to explore and develop appropriate measures to reach those who have the most...
severe physical or mental disabilities. It also requires states to
(1) expand and improve services to this population and (2) study and
consider a broad variety of means for providing services to them. The
Administration's program manual also notes that these provisions
intended states to use all relevant resources to improve services to and
serve a progressively increasing number of individuals with severe disa-
bilities. Although the act does not specify the methods state agencies
may employ to achieve these objectives, the manual outlines some gen-
eral activities a state may consider. These activities may be in program
areas—such as outreach, intake, and referral practices. They may also
be in policy and management areas—such as consulting with consumers
on policy issues and recognizing counselors' special efforts in working
with people with severe disabilities.

A method states may use to focus awareness on services to people with
severe disabilities includes publicizing their philosophical emphasis on
serving the severely disabled. This could be through such means as
strong referral relationships maintained with groups representing the
severely disabled. Another method involves giving special consideration,
when evaluating performance against goals, to the number of severely
disabled in a counselor's caseload. Also, a state may set aside funds for
expensive programs for the severely disabled. The purpose of this
approach is to prevent a counselor's client service budget from being
depleted by serving one client with an especially costly program need.

The Congress enacted the order-of-selection provision of the 1973 act to
assure that individuals with severe disabilities receive priority service.
This provision requires that when a state is unable to serve all eligible
people who apply for services, it must select applicants according to an
order that assures first priority to those with the most severe
disabilities.

The Administration manual states that severely disabled people often
require specialized and expensive vocational rehabilitation services over
long periods. The manual also states that the order-of-selection provi-
sion is to assure that if vocational rehabilitation services cannot be
promptly provided to all the eligible applicants, the needs of the
severely disabled are not to be deferred because of their cost and com-
plexity, rather, they are to be given preference.
Rehabilitation Services Administration guidelines allow states to determine if they need an order of selection and the procedures for implementing it. States may establish priority groups based on any fair and equitable characteristics so long as individuals with severe disabilities receive the highest priority.\(^2\)

Since 1976, the number of clients served has declined, and the severely disabled percentage has increased (see fig. 1.1). Nationwide, the number of clients served has dropped almost 25 percent, from 1.240 million in fiscal year 1976 to 929,000 in fiscal year 1989. But the number of clients with severe disabilities rose from 556,000 to 625,000. Each state's percentage of severely disabled clients, however, varied greatly. In fiscal year 1989, percentages ranged from 29 percent to 96 percent of a state's total active caseload, with the national average 68 percent.

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\(^2\)The act also requires that special consideration be given to public safety officers disabled in the line of duty.
Number Eligible Could Far Exceed Number Currently Served

No one knows the exact number of people potentially eligible for the Vocational Rehabilitation Program, but various estimates show the number could be at least 10 times greater than the current number of clients served. Of work-age Americans, 8.6 percent (13.4 million people) had a work disability, a 1989 U.S. Department of Commerce study, based on Bureau of the Census data, estimated. About 56 percent (7.5 million) of these people had severe disabilities. Not all potentially eligible persons want or seek rehabilitation services, but the Vocational Rehabilitation Program served only about 7 percent of the estimated work-age disabled Americans in 1989. (See fig. 1.2.)

Program officials expect the number of Americans with disabilities will continue to grow as the population ages and advanced medical technology prolongs the lives of the seriously injured. Demand also may increase because of the Americans With Disabilities Act of 1990. The purpose of this act is to make equality of opportunity and access to public services more readily available to the disabled by providing standards addressing discriminatory practices.
The Chairman of the Subcommittee on Select Education, House Committee on Education and Labor, asked us to assist in deliberations on reauthorizing the Rehabilitation Act by evaluating implementation of the order-of-selection provision. Our objectives were to determine

- why most states do not use order of selection,
- how some states have implemented the provision, and
- how the Department of Education assures that states comply with the order-of-selection provision.

We did not review other approaches used by states to meet the act's intent to focus services on those with severe disabilities. Also, we did not attempt to assess states' compliance with the order-of-selection requirement.

To obtain necessary information, we visited 20 state vocational rehabilitation agencies and interviewed Administration headquarters and regional officials. We also analyzed national caseload statistics and reviewed literature on state agency performance in giving priority to serving the severely disabled.

We selected states so as to (1) achieve geographic dispersion and (2) include states with both high and low percentages of clients with severe disabilities in their caseloads. We also considered experience with order of selection. For purposes of this study, we defined order-of-selection states as those with 2 or more consecutive years of experience, between fiscal years 1976 and 1989, with order of selection. We chose a minimum of 2 consecutive years to allow comparison among states with intermittent or no use of order of selection and those with relatively consistent implementation.

We visited vocational rehabilitation agencies in the following nine order-of-selection states: Georgia, Illinois, Kentucky, Maine, Massachusetts, Pennsylvania, Tennessee, Vermont, and West Virginia. We also visited agencies in the following 11 states: California, Florida, Louisiana, Michigan, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, and Texas. (See fig. 1.3.) These 11 states were among those with little or no experience with order of selection (less than 2 consecutive years); we refer to them as non-order-of-selection states. In each

3We are currently reviewing, as part of a separate request, client characteristics, the types of services received, and the results of the Vocational Rehabilitation Program concerning positive long-term outcomes for those who are served.
state, we discussed order of selection and related issues with state program officials. For 7 of the 20 states, we also visited two or more local offices to obtain the perspective of local vocational rehabilitation officials and counselors.

Figure 1.3: States Visited

To determine the relationship that order of selection may have to the percentage of severely disabled in state caseloads, we analyzed state caseload data for fiscal years 1976 through 1989, the latest year for
which data were available. These data are collected and maintained by
the Rehabilitation Services Administration. We also used the fiscal year
1988 data to analyze client characteristics to decide whether order-of-
selection states overreport severely disabled clients in their caseloads.
See appendix I for these analyses.

We carried out our review between July 1990 and February 1991 in
accordance with generally accepted government auditing standards.
The potential demand and limited resources for vocational rehabilitation services seem to suggest that most, if not all, states would need to set priorities for services at some time. But few have implemented order of selection to any great extent. Between fiscal years 1973 and 1989, 42 states had little or no experience with it. Program officials in most of the 11 non-order-of-selection states we visited said that they did not need to implement order of selection because they could serve all eligible applicants. One reason some states can serve all who apply, however, is that they use various techniques to manage their caseloads—such as reducing outreach efforts—to reduce the number of applicants when resources are scarce. In addition, officials from both order- and non-order-of-selection states were concerned that the provision led to a potential need for states to assign priorities within the category of the severely disabled.

Guidance from the Rehabilitation Services Administration does not effectively deal with how caseload management may affect the need for order of selection or the concerns some states have about implementing it. In addition, the Administration does not effectively monitor states' decisions about whether to implement order of selection.

Most States Had Little or No Experience With Order of Selection

Between fiscal years 1973 and 1989, 30 states had not had any experience with order of selection; 12 had limited experience. Of the 11 non-order-of-selection states we visited, Michigan, Missouri, North Carolina, and Texas had never used order of selection. California, Florida, Nebraska, New Mexico, and New York had implemented the provision for less than 2 consecutive years through fiscal year 1989. These states generally used order of selection in response to, or in anticipation of, a lack of funds, and usually stopped using it when funds became available. The remaining two non-order-of-selection states we visited, Louisiana and Mississippi, implemented the provision in 1988 and were continuing to use it at the time of our visits.

Inadequate Guidance on Implementing Order of Selection

In June 1975, the Administration issued a manual that included guidance on when and how to implement order of selection, but states generally do not find the manual helpful. In addition, at 6 of the 10 Administration regions, officials said the manual was unclear on when to implement order of selection.

*We did not classify them as order-of-selection states for analysis purposes because they did not have 2 consecutive years of experience before 1989.
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The manual sets out the following three questions for state agencies to consider in determining the need for an order-of-selection procedure:

- During the past calendar year has initiation of services been delayed for at least 3 months after eligibility certification for a significant proportion (over 20 percent) of the caseload?
- During the past calendar year has a lack of resources made it necessary to deny services to eligible persons?
- During the past calendar year has a lack of resources made it necessary to suspend certifications of eligibility or the provision of services to newly eligible clients?

The manual cautions, however, that a single affirmative answer should not dictate a state’s policy on order of selection. It suggests that a state agency establish procedures to assess the demand for services in relation to the resources available; if demand exceeds resources, a state must implement order of selection.

None of the states we visited used the three manual indicators to determine their need to implement order of selection. Florida officials told us that the indicators are not useful. Officials said, for example, that a projected budget shortfall would indicate a need for order of selection rather than waiting for the shortfall to manifest itself in one of the three ways outlined in the manual. Similarly, an Administration headquarters official agreed that states should anticipate and plan for order of selection rather than use it in reaction to a shortage of resources. He believes states should forecast the resources required to serve clients currently in the program and to determine eligibility for all individuals expected to apply to the program. States would then estimate the resources required to provide services to all new, eligible applicants. Budget forecasting at the beginning of the year would allow states to implement order of selection if they anticipate difficulty meeting demand.

Officials in those states that had not implemented order of selection said that they could serve everyone who applied; but we found several caseload management practices were commonly used to help keep applications to a manageable level. These practices included reducing outreach to referral agencies by not aggressively pursuing new clients.

Manual Not Clear on When Caseload Management Indicates a Need for Order of Selection

Administration officials told us that they are not surprised the states do not use the manual's guidance. They said the manual is outdated and states know that. However, the manual has not been rescinded, and no other guidance beyond the law and regulations has been disseminated.
Most States Have Not Implemented Order of Selection during periods of limited resources. Such caseload management practices can make it difficult to determine the need for order of selection to the extent that they succeed in reducing or limiting the number of individuals with disabilities who apply for services.

Some local offices defer applications or the purchase of services as ways to manage caseloads. For example, one local office in New York had a list of 200 people who were waiting to submit applications. In Texas, an official said the wait could be as long as 6 weeks for some people waiting to submit applications and sometimes clients had to wait until the beginning of the next quarter to receive services. These temporary delays were not long enough to warrant an order of selection according to one Texas official. In Michigan, new clients had delays lasting 6 weeks while the agency waited for additional funding from the state legislature. The agency still had funds in its budget, a state official said, but these were set aside for the current caseload.

States also reduce outreach to manage caseloads. The Michigan official said that by reducing outreach efforts the agency could limit the number of new clients who had to experience any delay before receiving services. In five of the non-order-of-selection states, state and local officials said that some offices have had to limit or reduce outreach on at least one occasion due to full caseloads or lack of funds. For example, counselors do not aggressively pursue new clients, one state official said, when they know the clients would have to wait for services to begin. In addition, local officials have requested that their referral sources decrease the number of referrals made to the agency.

The states can and do limit the number of applications, Administration headquarters and regional officials acknowledged, by reducing contacts with referral sources. While the manual recognizes that caseload management may be practiced, it stresses that practices should encourage referrals and applications of individuals with severe disabilities. The manual does not help a state know when a reduction in outreach is acceptable or when it indicates a need for order of selection.

State officials in some order- and non-order-of-selection states expressed another concern with the guidance provided by the Rehabilitation Services Administration. Implementing order of selection may result in a potential need to set priorities among those in the highest priority category if limited resources preclude serving all individuals with severe disabilities. We found some order-of-selection states could not serve all
those within the highest priority category as the percentage of severely disabled in the total client caseload increased. In these cases, states served the severely disabled on a first-come, first-served basis. These states generally have not made selections based on relative severity of disability.

Neither the guidance from the Rehabilitation Services Administration nor the practices of most states have attempted to distinguish among the severely disabled. But the act specifies that people with the most severe disabilities shall be served first. When one state attempted to categorize within the severely disabled category, Rehabilitation Services Administration officials rejected the proposal because they believed the intent of the act is to focus on all clients with severe disabilities. Consequently, this state gives priority to severely disabled clients not by degree of severity, but rather in chronological order of application.

The Administration is revising the manual; the chapter on order of selection is scheduled for completion in the fall of 1991. The Administration has long recognized problems with states' understanding of order of selection. As early as 1979, it knew states had questions about (1) the circumstances under which order of selection must be implemented and (2) whether to implement the provision before or after depleting resources. The Administration left many program decisions up to the states over the years, an official explained, in part because it saw the federal role as a partnership with the states.

Lack of Monitoring of Need for Order of Selection

The Administration generally accepts each state's self-assessment of its ability to serve all eligible applicants. Each state plan requires an affirmative or negative response to the following statement: "The designated State unit can furnish and is furnishing vocational rehabilitation services to all individuals who apply and have been determined eligible for vocational rehabilitation services." If the answer is no, the state must show and justify in the plan the order it will follow in selecting people for services. If the answer is yes, an order-of-selection plan is not required.

The current program review guide used by the Administration to monitor state program activities does not require a review of whether the state should implement order of selection. Monitoring states specifically to determine if order of selection is applicable is not the Administration's role, the director of the Division of Program Administration told us. Even if this was the Administration's role, another headquarters
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official explained, resources are not sufficient to do the assessment studies necessary to determine if states could serve all eligible applicants. We believe that monitoring need not include the performance of assessment studies, but should include determining if a state conducted an adequate self-assessment.

Regional Officials Disagree on When to Enforce Order of Selection

Several officials, at headquarters and the regional levels, perceived their role as a partnership with the states, with program decisions left primarily to the states. Regional officials also have differing opinions on their authority to enforce state use of order of selection. Officials in two regions, for example, viewed their job to be one of encouraging, but not requiring, states to use order of selection. An official of another region said that his region prefers to work cooperatively with the states, although if funding trends continue, the region may have to more actively enforce order of selection. In a region where half the states use order of selection, officials offer guidance, they say, when a state considers implementing the provision, but did not know they had the authority to require implementation. The Administration's Director of Program Administration said that order of selection is a required provision of the law and he is prepared to enforce it when a state cannot serve all eligible applicants.

Administration officials at the headquarters level and at most of the regional offices agreed that order of selection is a mandatory provision of the act when states cannot serve all eligible applicants. However, officials at two regions characterized the provision as optional. For example, officials in one region said that they do not see order of selection as a requirement to be imposed on the states but rather only to be encouraged. An official in another region said that he personally views order of selection as an optional caseload management technique. Interpretations also differed within regions: one regional commissioner viewed order of selection as an option available to states even if the state is unable to serve all eligible applicants; another believed it was mandatory when a state cannot serve all eligible applicants.

Conclusions

Implementation of order of selection across states suffers from lack of clear guidance and leadership from the Rehabilitation Services Administration. Given that the number of people who could potentially benefit from the program is much larger than those that can be served and that the number who could benefit is growing, states will most likely find serving all eligible applicants increasingly difficult. Some officials said
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they were not required to implement order of selection because they could serve all eligible applicants. But caseload management sometimes reduces the number of applications when demand exceeds program resources and makes it difficult to clearly identify the need for order of selection. Current guidance does not clarify the relationship between caseload management, necessitated by the need to balance demand and resources, and the need to implement order of selection. Further, current guidance focuses on past, rather than current, ability to meet demand and allows a state to deplete resources before implementing order of selection instead of anticipating and planning for a resource shortfall. It also does not help states in deciding if and how services should be allocated among clients with severe disabilities.

For various reasons, the Administration has not given order of selection much attention over the years. But state need for effective ways to set priorities for services is likely to intensify as the number of individuals with severe disabilities increases. The Administration needs to provide clearer guidance and leadership to help states know when and how order of selection should be implemented effectively to prioritize services to individuals with severe disabilities. Effective review of state determinations of their need for order of selection also should be an important part of the Administration's efforts to assure compliance with the order-of-selection requirement.

Recommendation to the Secretary of Education

We recommend that the Secretary direct the Commissioner of the Rehabilitation Services Administration to (1) establish clearer criteria for determining if and when states must use order of selection and (2) direct regional offices to review state determinations about whether the states need to implement order of selection and enforce its use. The Commissioner also should assure that staff throughout regional offices and headquarters have a consistent understanding of their role and authority concerning implementation of order of selection.

Agency Comments

The Department of Education concurred with our recommendations. (See app. II.) It is revising its program manual to provide clear and consistent policy direction concerning order of selection. During 1992 the Rehabilitation Services Administration will train regional and headquarters staff concerning the order-of-selection requirement and how to more effectively monitor its implementation. The Department indicated that regulatory changes would be needed and that they would be considered following reauthorization of the Rehabilitation Act.
Implementing order of selection can help states focus services on the severely disabled. Client data showed that the severely disabled made up a larger percentage of the caseload in the nine order-of-selection states than in the non-order states. We could not attribute the larger percentages solely to order of selection, but state officials believe it to be an important factor. Likewise, federal officials believe that order of selection could effectively focus services on individuals with severe disabilities.

Officials in non-order-of-selection states anticipated significant problems if they implemented order of selection. But, it was an effective, manageable method to focus limited resources on the severely disabled population and was not difficult to administer, said officials in the nine states that had implemented order of selection for at least 2 consecutive years. We believe non-order states could benefit from sharing of information from states that had successfully implemented the provision.

Most of the federal officials we spoke with and officials in the nine order-of-selection states we visited see order of selection as an effective means of focusing services on individuals with severe disabilities. Our analysis of caseload data seems to support their position.

Order of selection plays an important role in focusing limited resources on individuals with severe disabilities, officials in each of the nine order-of-selection states said. By assigning priority to severely disabled clients, these states can assure that resources for purchasing services are made available first to those with the most severe disabilities.

Order of selection contributes to an increase in a state’s percentage of severely disabled clients in the caseload, Administration officials in six of the ten regions said. In one region, for example, officials said order of selection was an effective means to encourage states to make difficult decisions about whom to serve given limited resources. Order of selection helps assure a state is focusing resources on individuals with severe disabilities. In another region, only one state operated under order of selection; it had the caseload with the region’s highest percentage of severely disabled clients. Officials attributed this to order of selection.
Administration officials at the headquarters level also saw benefits in using order of selection. The director of the Division of Program Administration characterized order of selection as the best method agencies could realistically use to set priorities for diminishing resources. Order of selection is beneficial, two other program officials said, because it assures service priority to the severely disabled. They also recognize that the federal and state funding prognosis is worsening and that order of selection will become increasingly necessary because of constrained resources.

From 1976 to 1989, order-of-selection states had a higher percentage of clients with severe disabilities in their caseload than did non-order states, according to our analysis of state data. The percentage of clients with severe disabilities entering the program each year among order-of-selection states exceeded the percentage for non-order states (see fig. 3.1). The analysis for order-of-selection states includes data only for those years when each state operated under order of selection. For the entire period, clients with severe disabilities in order-of-selection states represented 78 percent of new cases compared with 57 percent for non-order-of-selection states. Before implementing order of selection, the nine states showed little difference from other states (see app. I for details of this analysis).
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Individuals With Severe Disabilities

Figure 3.1: Clients With Severe Disabilities Served in Order States Compared With Non-Order States

Note: Data for 1981 not available, 1978 was the first year any state used order of selection for a full year.

Sufficient data were not available to enable us to conclude that order of selection alone caused the higher percentages among order-of-selection states. However, officials in eight of the nine order-of-selection states we visited largely attributed having a high percentage of clients with severe disabilities in the caseload to order of selection.

Do Counselors in Order- and Non-Order-of-Selection States Classify Clients Similarly?

Some non-order-of-selection state officials attributed the higher percentages of severely disabled served by order-of-selection states to misclassification by counselors in those states. These officials contend that the percentage of severely disabled in those states is higher because counselors realize classifying a client as severely disabled may be the only way to provide the client purchased services. Our analysis, however, showed no convincing evidence of this misclassification.

'Several factors would have to be considered, including such difficult to measure factors as management philosophy and other programs available in a state.
We used information from a national caseload database (maintained by the Rehabilitation Services Administration) to determine whether counselors in order- and non-order-of-selection states consistently classified clients with nonsevere disabilities as having severe disabilities. We analyzed the 344,865 client cases closed during fiscal year 1988.

On the basis of discussions with vocational rehabilitation researchers, we identified five characteristics to assess whether clients with severe disabilities in order-of-selection states are reasonably similar to clients with severe disabilities in non-order states. These characteristics included such indicators as percentage institutionalized at application and whether a client received benefits under the Supplemental Security Income or Social Security Disability Insurance programs. (See app. I for a full discussion.)

If counselors from order-of-selection states consistently classified clients with actual nonsevere disabilities as severely disabled, we would have found smaller differences between the characteristics of clients with severe and nonsevere disabilities in order-of-selection states as opposed to non-order states. Instead, we found that the differences between the two groups in order-of-selection states closely resembled the differences in non-order states (see table 1.5). For the five characteristics we analyzed, the difference was either greater for order-of-selection states or essentially the same as for non-order states (see table 1.5). For example, the median percentage of clients receiving services at a rehabilitation facility was 12.1 percentage points greater for severe clients in order-of-selection states and 11.6 percentage points greater in non-order-of-selection states. The analysis showed no convincing evidence, therefore, that order-of-selection states consistently categorized more clients with nonsevere disabilities as having severe disabilities, when compared with non-order states.

How States Implement Order of Selection: Provision Not Burdensome

Many non-order-of-selection states had questions about implementing the provision, but the nine order-of-selection states found it effective. Overall, officials in the nine states believed order of selection to be a fair way to focus limited resources on those with severe disabilities, and most found it did not create undue administrative burdens.

Officials in non-order-of-selection states raised a variety of concerns about the provision. One concern is related to possible inequities; some believed providing purchased services to only individuals with severe disabilities was unfair. Another is related to potential administrative
burden—that is, the need to reeducate referral sources when implementing order of selection.

The experience in order-of-selection states does not support these concerns. Officials noted, for example, that (1) administrative burden was minimal and (2) the nonpurchased services provided to individuals with less severe disabilities were very important. One key factor in reducing problems may be that most order-of-selection states used it continuously rather than going on and off as resources fluctuated. Most of the nine states we visited maintained consistent use of order of selection once implemented and expected continued long-term use of the provision because of limited resources. There were also other similarities between the nine states’ order-of-selection provisions.

Most of these states envision continued long-term use of order of selection. In fact, Illinois officials said that resources are always limited and all states should be operating under order of selection. Likewise, state agency officials in Georgia said that a state must prioritize under conditions of limited resources and these conditions always exist. Maine and Kentucky officials also mentioned that order of selection is the only legal way to determine which clients receive limited purchased services.

Priority Categories Rank Clients for Receipt of Purchased Services

Each order-of-selection state established priority categories that ranked clients for receipt of purchased services. The act requires that states assign individuals with severe disabilities to the highest category. Beyond that, the act requires only that the state develop an equitable priority system. In the nine states, the number of nonseverely disabled categories ranged from two to seven.
Purchased services in these nine states are made available first to the clients with severe disabilities. Purchased services may include vocational and other training services, interpreter services for the deaf, reader services for the blind, occupational licenses and tools, and physical and mental restoration services. Nonpurchased services provided directly by vocational rehabilitation staff—guidance, counseling, and placement—are available to all clients regardless of priority category. Three states—Illinois, Maine, and Pennsylvania—had adequate resources to purchase services only for their clients with severe disabilities. The remaining six states could provide purchased services to some of their clients with nonsevere disabilities (see figure 3.2).

Some officials said it is more efficient from a management perspective not to change continuously categories open to purchased services. Officials in Georgia, for example, said that it is not practical to open and close categories because this sends mixed messages to referral sources and is poor management. These officials regularly assess resources and demand, however, to see if the state can extend purchased services to more categories. Officials in Kentucky believe that opening or closing multiple categories causes confusion and frustration among referral...
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Sources and clients. They believe, however, that it is relatively uncomplicated to open or close a single category. This would most likely happen toward the end of the state fiscal year when it became apparent that all client service resources were not going to be spent or, conversely, were not adequate.

**Clients With Nonsevere Disabilities Can Receive Nonpurchased Services**

Officials from some non-order-of-selection states believed that order of selection unfairly excludes applicants with nonsevere disabilities from receiving purchased services. Officials from the nine states with order-of-selection experience believed the provision was fair, and some stressed the importance of the nonpurchased services that are provided to clients with nonsevere disabilities. The unique and best services that the Massachusetts rehabilitation agency provides, said the commissioner, are counseling, guidance, and job placement. These nonpurchased services help clients decide on a vocational direction and steer clients to other sources of assistance, such as college financial aid and publicly funded mental health services. These services may be essential to clients' vocational rehabilitation success. A Pennsylvania official agreed that the most important services offered are the nonpurchased services. In addition, some officials said, the clients with nonsevere disabilities can obtain services from other sources. Further, in some order-of-selection states some clients with nonsevere disabilities can receive purchased services.

**Educating Referral Sources to Order of Selection Is Not Disruptive**

Officials from some non-order-of-selection states expressed concerns about the reeducation of referral sources necessary to implement order of selection, but officials from order-of-selection states said this generally was not a problem. Educating referral sources to the priorities of order of selection did not seem to be disruptive to established relationships. A state official in Massachusetts said that constituents, the state legislature, service vendors, and businesses have all supported order of selection. Similarly, once Illinois implemented the provision, within about a year referral agencies knew to refer primarily clients with severe disabilities. In Mississippi, where officials more recently implemented order of selection, counselors emphasize referral development on those agencies more likely to work with the severely disabled. Likewise, in Georgia, counselors place special emphasis on outreach to the deaf, blind, and traumatically brain-injured populations.
Non-Order-of-Selection States Unfamiliar With How States Implement Order of Selection

Based on our discussions with officials in the 11 non-order-of-selection states, we believe that many who had concerns about implementing order of selection were unfamiliar with how order-of-selection states implemented the provision. We found no evidence that the Administration had taken any steps to foster information exchanges, although the Rehabilitation Services Manual encourages such exchanges with the Administration and other state agencies on procedures and policies related to order of selection. Some states have initiated information exchanges on their own. For example, officials from several states had consulted with Georgia and Illinois officials, these officials said, asking for advice and technical assistance on implementing order of selection. In fact, officials in one non-order-of-selection state asked us to suggest states to call for assistance in addressing their questions.

Concerns About the Impact of Order of Selection

Some state and federal officials were concerned that serving a high percentage of severely disabled could significantly decrease the overall number of people served. In addition, if the percentage of clients with severe disabilities is very high—it is over 90 percent in one state—relatively few nonseverely disabled receive any purchased services from the Vocational Rehabilitation Program. Others are concerned about the higher cost associated with serving individuals with severe disabilities.

Officials from several non-order-of-selection states said that order of selection may result in a less cost-beneficial program. The program director in a non-order-of-selection state said that he must show the state legislature a return on its investment; that is, states need the inexpensive, successful rehabilitations of clients with nonsevere disabilities to balance against the more costly, more long-term services provided to those with severe disabilities.

In addition, the director of the Division of Program Administration cited the sometimes conflicting nature of order of selection and the traditional public policy trade-offs that must be made between the number of clients with severe and nonsevere disabilities served. Although the act intends that services to individuals with severe disabilities are not to be denied due to cost, this headquarters official said it is usually necessary to strike a balance between serving a few high-cost clients or a larger number of low-cost clients. Focusing on those with severe disabilities, he said, results in fewer individuals receiving service and an increase in cost per client; the Congress must not view this as an indicator of poor performance by the program.
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These officials' concerns notwithstanding, congressional intent seems clear: individuals with severe disabilities are to receive priority and not be denied services in spite of the higher costs associated with serving them. Although it is not clear if the Congress foresaw a program serving almost entirely individuals with severe disabilities, as is the case in a few states now, in most states individuals with severe disabilities comprise well under 90 percent of the caseload. In fact, the wide variation among states in the caseload percentages of clients with severe disabilities indicates a great diversity in success in focusing services on the severely disabled.

Conclusions

Order of selection is one way some states have found to serve more individuals with severe disabilities. All those with at least 2 years of continuous use found that order of selection helped them manage their resources; it was also an important factor in increasing the severely disabled in their caseloads. That this is so seems to be corroborated by our analyses of caseload data. In addition, we found that the type of person categorized as severely disabled did not differ appreciably between order- and non-order-of-selection states—indicating that counselors generally apply classification criteria consistently.

Non-order-of-selection states often had concerns or questions about implementing the provision. Order-of-selection states generally did not find the provision difficult to administer. One key factor that may have prevented problems in the order-of-selection states was most states implemented it continuously rather than going on and off as resources fluctuated. Also, order-of-selection states generally followed a similar practice of providing purchased services to those in low-priority categories only when funds were sufficient, if at all. We believe states would find it helpful if the Rehabilitation Services Administration would help address concerns and questions by disseminating information on successful use of order of selection.

Recommendation to the Secretary of Education

We recommend that the Secretary direct the Commissioner of the Rehabilitation Services Administration to disseminate information on states' successful order-of-selection experience to help address concerns of states without experience.
The Department of Education concurred with our recommendation. (See app. II.) The revised program manual will include advice to state agencies on when to use order of selection and how to ensure that implementation is not disruptive. It will also include models of order-of-selection plans.
To determine whether order-of-selection states served relatively more clients with severe disabilities in their Vocational Rehabilitation Programs, we analyzed national Rehabilitation Services Administration caseload statistics maintained in two separate databases. We examined (1) the percentage of clients classified as severely disabled in each state and (2) whether order- and non-order-of-selection states use similar criteria consistently when classifying clients as having severe or nonsevere disabilities.

To determine if there is a correlation between order of selection and caseload composition, we examined data on the percentages of new clients classified as severely disabled.¹ We used data for new cases because order of selection is a procedure that affects client intake practices. New cases are those accepted for rehabilitation services during a given year. We used state-reported data differentiating between clients with severe and nonsevere disabilities. At the time of our analysis, these data were available for fiscal years 1976 through 1989 with the exception of 1981.

We aggregated caseload data for the 50 states and the District of Columbia into two groups: states with and without significant experience with order of selection.² We defined order-of-election states as those that had used the provision for 2 or more consecutive years between fiscal years 1976 and 1989. We chose a minimum of 2 consecutive years to allow comparison between states with intermittent or no use of order of selection and those with relatively consistent implementation. Also, we believe the 2-year minimum better assured that the caseload data fully reflected any effects of revised intake practices under order of selection. Nine states met this criterion (see table 1.1). We aggregated states that had used the policy for shorter periods as non-order-of-selection states.

¹This database—Rehabilitation Services Administration 113: Quarterly Cumulative Caseload Report—consists of state-reported information about client caseloads.

²Some states have separate vocational rehabilitation agencies to serve the visually impaired population. For analyses purposes, we aggregated data for blind and general agencies in these states to make them more comparable to states where agencies are combined.
Table 1.1: Order-of-Selection States

<table>
<thead>
<tr>
<th>State</th>
<th>Years in Which Order of Selection Was Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>1979-89</td>
</tr>
<tr>
<td>Illinois</td>
<td>1981-89</td>
</tr>
<tr>
<td>Kentucky</td>
<td>1983-86</td>
</tr>
<tr>
<td>Maine</td>
<td>1979-84</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>1978-89</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>1981-86</td>
</tr>
<tr>
<td>Tennessee</td>
<td>1986-89</td>
</tr>
<tr>
<td>Vermont</td>
<td>1986-89</td>
</tr>
<tr>
<td>West Virginia</td>
<td>1987-89</td>
</tr>
</tbody>
</table>

We used statistics for each of the nine order-of-selection states beginning with the first full year each state began using the provision. Three states discontinued the provision during the analysis period, mainly because resources permitted serving all eligible applicants. Beginning with the year each one discontinued the provision, we removed their statistics from the order-of-selection analysis group and included them with the statistics for non-order states. The percentages of clients with severe disabilities decreased in two of the three states after they discontinued using order of selection.

We calculated the overall percentage of new clients classified as severely disabled in both groups of states for fiscal years 1976 through 1989. The result was 57 percent for states without order of selection, and 78 percent for the nine states with it. We also calculated the percentage for each fiscal year and found that the order-of-selection states as a group served a higher percentage of clients classified as severely disabled in every fiscal year, ranging from 7 percentage points to—in 4 of the years—26 percentage points (see table 1.2).
### Assessment of Client Classification Practices in Order-of-Selection States

When categorizing clients’ disabilities as severe or nonsevere, vocational rehabilitation counselors must use professional judgment in applying the classification criteria. Because counselors want their clients to receive services, there may be a tendency for counselors in order-of-selection states to categorize clients with nonsevere disabilities as having severe disabilities to qualify them for purchased services. If this misclassification occurred significantly more often in order-of-selection states than in nonorder states, it would lessen the validity of using state-reported data to show the differences in caseload percentages between states. Our analysis showed no convincing evidence, however, that the characteristics of clients classified as having severe disabilities differed appreciably between order- and non-order-of-selection states—indicating that counselors generally applied classification criteria consistently.

To determine whether counselors in order- and non-order-of-selection states consistently classified disabled clients as severely disabled, we used information from the Administration’s 911: Case Service Report Systems database. This database consists of various client characteristics collected by states for all clients leaving state programs during a fiscal year. On the basis of discussions with vocational rehabilitation researchers, we identified five characteristics for assessing whether classification of clients in order-of-selection states is reasonably similar.
Methodology for Caseload Data Analyses

to classification in non-order-of-selection states. The characteristics for assessing severely disabled are the percentage

competitively employed at application, institutionalized at application, receiving services at a rehabilitation facility, receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI), and with mental illness (psychotic disorders) or mental retardation.

We examined characteristics of clients with severe disabilities in order-of-selection states as a group and in non-order states as a group. We included data on all cases closed during fiscal year 1988, the most recent year for which complete data were available. We used closed cases because they were the most recent ones for which a complete set of characteristics was available. This analysis involved 344,865 closed cases (as shown in table 1.3). Using these cases, we determined (1) whether clients with severe disabilities in order and non-order states have similar characteristics, (2) whether the characteristics of clients with and without severe disabilities differ within states, and (3) how these differences compare between order- and non-order-of-selection states.

<table>
<thead>
<tr>
<th></th>
<th>Severe</th>
<th>Nonsevere</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-order states</td>
<td>169,889</td>
<td>106,057</td>
<td>275,946</td>
</tr>
<tr>
<td>Order states</td>
<td>51,651</td>
<td>17,268</td>
<td>68,919</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>221,540</strong></td>
<td><strong>123,325</strong></td>
<td><strong>344,865</strong></td>
</tr>
</tbody>
</table>

The characteristics of clients with severe disabilities should differ from those with nonsevere disabilities in both order- and non-order-of-selection states. For example, the percentage of clients receiving services at a rehabilitation facility should be higher for those with severe disabilities than for those with nonsevere disabilities. However, if states incorrectly classified a significant number of nonseverely disabled clients as severely disabled, one would expect a small difference between the percentages of these clients receiving services.

3 We selected individuals residing at public mental hospitals, public and private institutions for the mentally retarded, and schools and other institutions for the blind or deaf.

4 We excluded cases closed but not accepted for vocational rehabilitation services.
We found that the differences between clients with severe and non-severe disabilities in order-of-selection states closely resembled the differences in non-order states (see table 1.4). For the five characteristics we analyzed, the difference in order-of-selection states was either greater than or essentially the same as in non-order-of-selection states (see table 1.4). For example, the percentage of clients receiving services at a rehabilitation facility was 12.1 percentage points greater for those with severe disabilities in order-of-selection states and 11.6 percentage points greater in non-order-of-selection states. We found no evidence that order-of-selection states consistently categorized more clients with nonsevere disabilities as having severe disabilities when compared with non-order-of-selection states.

<table>
<thead>
<tr>
<th>Client characteristic</th>
<th>Type of state</th>
<th>Severe</th>
<th>Nonsevere</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>Order</td>
<td>11.5</td>
<td>17.5</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>Non-order</td>
<td>11.8</td>
<td>18.4</td>
<td>6.6</td>
</tr>
<tr>
<td>Institutionalized at application</td>
<td>Order</td>
<td>2.1</td>
<td>0.6</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Non-order</td>
<td>2.3</td>
<td>0.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Receiving services at a rehabilitation center</td>
<td>Order</td>
<td>26.8</td>
<td>14.7</td>
<td>12.1</td>
</tr>
<tr>
<td></td>
<td>Non-order</td>
<td>30.2</td>
<td>18.6</td>
<td>11.6</td>
</tr>
<tr>
<td>Receiving SSDI or SSI benefits</td>
<td>Order</td>
<td>26.2</td>
<td>3.1</td>
<td>23.1</td>
</tr>
<tr>
<td></td>
<td>Non-order</td>
<td>25.6</td>
<td>2.8</td>
<td>22.8</td>
</tr>
<tr>
<td>With psychotic disorders or mental retardation</td>
<td>Order</td>
<td>25.2</td>
<td>11.2</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>Non-order</td>
<td>23.3</td>
<td>10.3</td>
<td>130</td>
</tr>
</tbody>
</table>

Note: At least 310,000 cases were included for each characteristic analyzed.
DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
THE ASSISTANT SECRETARY

Mr. Franklin Frazier
SEP 25 1991
Director, Education and
Employment Issues
Human Resources Division
United States General
Accounting Office
Washington, D.C. 20546

Dear Mr. Frazier:

I am pleased to provide you with the Department's plans in
to the recent General Accounting Office (GAO) draft
report "Vocational Rehabilitation: Clearer Guidance Could Help
States Focus Services on Individuals with Severe Handicaps",
which was transmitted to the Department of Education by letter
dated August 26, 1991.

Recommendation

GAO recommends that the Secretary direct the Commissioner,
Rehabilitation Services Administration, to (1) establish clearer
criteria for determining if and when States must use order of
selection and (2) direct Regional Offices to review State
determinations about whether the States need to implement order
of selection. The Commissioner also should assure that staff
throughout regional offices and headquarters have a consistent
understanding of their role and authority concerning
implementation of order of selection.

Department of Education Response

The Department of Education concurs with the GAO recommendations.
The Rehabilitation Services Administration (RSA) has been working
on a revised comprehensive policy for order of selection as part
Chapter on Order of Selection has been completed and is now under
review within the agency. RSA expects to complete this Chapter
by October 1991, and enter it into Departmental clearance
immediately thereafter. Throughout FY 1992, RSA will be
conducting training for its Regional and Central Office Staff
which will include content related to the requirements and
implementation of an order of selection and how to more
effectively monitor its use by State vocational rehabilitation
(VR) agencies. The Manual Chapter on Order of Selection will
provide clear and consistent policy direction and contribute to a
more uniform understanding, which is expected to result in a more
uniform application of these requirements.
However, full implementation of these recommendations is impeded by the fact that current program regulations in 34 CFR 361.36 are silent on the circumstances and timing of State VR agency implementation of an order of selection policy. To alter this circumstance will require a regulatory change. The Department will give full consideration to this change when regulations are modified following re-authorization.

Recommendation

GAO recommends that the Secretary direct the Commissioner, Rehabilitation Services Administration, to disseminate information on States' successful order of selection experience.

Department of Education Response

The Department of Education concurs with the GAO recommendations. A Guidance Chapter to complement the Policy Chapter on Order of Selection is presently being written and will be issued in Fiscal Year 1992. The Chapter will include advice to State agencies on when to use order of selection and how to insure that its implementation is not disruptive. As recommended by GAO, the Chapter will include examples of model order of selection plans that will be of particular help to State agencies unfamiliar with order of selection practices.

We appreciate the opportunity to review this report. I and members of my staff are prepared to respond if you or your staff have any questions.

Sincerely,

Robert R. Davila
Appendix HI

Major Contributors to This Report

Human Resources Division, Washington, D.C.

Ruth Ann Heck, Assistant Director, (202) 401-8623

Detroit Regional Office

C. Robert Coughenour, Evaluator-in-Charge
Karen M. Barry, Evaluator
Randy M. DiRosa, Evaluator
M. Christine Dobrovich, Evaluator
Sharon Fucinari, Technical Advisor
William Sievert, Technical Advisor