

**FISCAL YEAR 2008  
MONITORING REPORT ON THE  
VOCATIONAL REHABILITATION AND  
INDEPENDENT LIVING PROGRAMS  
IN THE STATE OF  
ILLINOIS**



**U.S. DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND  
REHABILITATIVE SERVICES  
REHABILITATION SERVICES ADMINISTRATION**

**DECEMBER 18 , 2008**

# Contents

	<b>Page</b>
Executive Summary .....	2
Introduction.....	4
Chapter 1: RSA’s Review Process.....	6
Chapter 2: Illinois Division of Rehabilitation Services (IDRS) Vocational Rehabilitation (VR) and Supported Employment (SE) Programs.....	8
Chapter 3: Fiscal Management of IDRS’s Vocational Rehabilitation and Supported Employment Programs.....	40
Chapter 4: Independent Living (IL) Program .....	47
Chapter 5: Independent Living Services Program for Older Individuals Who Are Blind (OIB).....	54
Chapter 6: Progress on Issues Raised in Previous Reviews of IDRS .....	58
Appendix: Sources of Data .....	62

## EXECUTIVE SUMMARY

---

The Rehabilitation Services Administration (RSA) reviewed the performance of the following programs authorized by the *Rehabilitation Act of 1973*, as amended (the Act) in the state of Illinois (IL):

- the vocational rehabilitation (VR) program, established under Title I;
- the supported employment (SE) program, established under Title VI, part B;
- the independent living (IL) program, authorized under Title VII, part B; and
- the independent living services program for older individuals who are blind (OIB), established under Title VII, Chapter 2.

The Illinois Division of Rehabilitation Services (IDRS), located within the Illinois Department of Human Services (DHS), is the state agency responsible for the administration of the VR, SE, IL, and OIB Programs.

RSA's review began in the fall of 2007 and ended in the summer of 2008. During this time, RSA's Illinois state team:

- gathered and reviewed information regarding each program's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit, and held multiple discussions with state agency staff, State Rehabilitation Council (SRC) members, Statewide Independent Living Council (SILC) members, and stakeholders to share information, identify promising practices, compliance findings, and areas for improvement;
- provided technical assistance (TA) during the review process;
- identified promising practices;
- recommended that IDRS undertake specific actions to improve its performance;
- required IDRS to take corrective action in response to compliance findings;
- in collaboration with IDRS identified TA that would be helpful to improve its performance or correct compliance findings; and
- identified issues for further review.

RSA identified the following strengths and challenges of the VR, SE, IL, and OIB programs.

## **IDRS**

### **Strengths:**

- IDRS is committed to improving the quality of employment achieved by individuals with disabilities and has implemented several strategies to achieve this goal;
- IDRS' Secondary Transition Experience Program (STEP) enhances local transition programming by establishing transition specialist positions in the school system to help transition-age youths achieve employment, postsecondary education, and independent living goals;
- IDRS, the SILC, and the network of CILs in the state of Illinois have developed a strong partnership through which all parties work in full collaboration to improve the IL outcomes for individuals with disabilities;
- IDRS has implemented an efficient monitoring system to review and evaluate Title VII, Part B IL contracts; and
- IDRS OIB staff have developed community resources and have established contracts that increase community capacity.

### **Challenges:**

- To date, IDRS has not yet achieved its stated goal to improve the quality of its employment outcomes that is commensurate with the decrease in the quantity of its employment outcomes;
- IDRS has experienced difficulty recruiting and retaining qualified management and program staff;
- Because the SRC is not fully constituted, IDRS is unable to obtain, and the SRC cannot provide, the full scope of input necessary for informed decision-making in support of VR program improvement;
- IDRS does not submit the required financial reports to RSA in a timely manner.

## INTRODUCTION

---

Section 107 of the Act requires the commissioner of the RSA to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Act to determine whether a state VR agency is complying substantially with the provisions of its State Plan under section 101 of the Act and with the evaluation standards and performance indicators established under section 106. In addition, the commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for Supported Employment under Title VI part B of the Act and programs offered under Title VII of the Act are substantially complying with their respective State Plan assurances and program requirements.

In order to fulfill its monitoring responsibilities, RSA:

- reviews the state agency's performance in assisting eligible individuals with disabilities to achieve high-quality employment and IL outcomes;
- recommends that the state agency undertake specific actions to improve program performance; and
- provides TA to the state agency in order to improve its performance, meet its goals, and fulfill its State Plan assurances.

### Scope of the Review

RSA reviewed the performance of the following programs of the Act:

- the VR program, established under Title I;
- the SE program, established under Title VI, part B;
- the IL programs authorized under Title VII, part B; and
- the OIB program, established under Title VII, Chapter 2.

In addition, RSA also reviewed IDRS' progress on:

- the agency's Corrective Action Plan that was established as a result of findings from RSA's fiscal year (FY) 2004 Section 107 monitoring review;
- the agency's Program Improvement Plan that was established as a result of the fact that IDRS did not meet performance standards for indicators 1.1, 1.2, and 1.5 in FY 2005; and
- the assurance that IDRS made to RSA in connection with the approval of its FY 2008 State Plan related to the completion of interagency agreements with institutions of higher education.

## **The State of Illinois Administration of the VR, SE, IL, and OIB Programs**

Illinois has designated IDRS as the sole agency to provide VR and SE services to individuals with disabilities through the Bureau of Field Services and the Bureau of Blind Services. IDRS is located within the Illinois Department of Human Services (DHS), the designated state agency. IDRS administers a combined program that serves individuals who are blind as well as individuals with other disabling conditions. IDRS administers the IL and OIB programs.

IDRS services are provided at 51 locations throughout Illinois. These include 49 field and satellite offices and two IDRS employees are stationed in different one-stop career centers. There are 29 transition specialists co-located in high schools throughout Illinois.

For the four programs listed above, this report describes RSA's review of IDRS, provides information on its performance, identifies promising practices, identifies performance and compliance issues, and recommendations to improve program performance. The report also includes TA that RSA will provide to IDRS to address issues covered during the review.

### **Appreciation**

RSA wishes to express appreciation to the representatives of the DHS, IDRS, the SRC, the SILC, the Client Assistance Program, and the stakeholders who assisted the RSA monitoring team in the review of IDRS.

## CHAPTER 1: RSA'S REVIEW PROCESS

---

### Data Used During the Review

RSA's review of IDRS began in the fall of 2007 and ended in the summer of 2008. RSA's data collections are finalized and available at different times throughout the year. During this review, RSA and the state agency used the most recent data that was available from the FY 2006 and FY 2007 collections. As a result, this report cites data from FY 2006 and FY 2007.

### Review Process Activities

During the review process, the RSA Illinois state team:

- gathered and reviewed information regarding each program's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders to share information, and identify promising practices, compliance findings, and areas for improvement;
- provided TA during the review process;
- identified promising practices;
- recommended that IDRS undertake specific actions to improve its performance;
- required IDRS to take corrective action in response to compliance findings;
- in collaboration with IDRS, identified TA that would be helpful to improve its performance or correct compliance findings; and
- identified issues for further review.

### RSA Illinois State Team Review Participants

Members of RSA's Illinois state team included representatives from each of the five functional units within RSA's State Monitoring and Program Improvement Division. The RSA Illinois state team was led by RSA's state liaison, Tonya Stellar (VR Unit) and the following RSA Illinois team members: Sean Barrett (IL Unit); William Bethel (Fiscal Unit); Carol Dobak and Jessica Smith (VR Unit); Fred Isbister (TA Unit); and Steven Zwillinger (Data Unit).

## Information Gathering

During FY 2008, RSA began its review of IDRS by analyzing information including, but not limited to, RSA's various data collections, IDRS VR and IL State Plans and the SRC Annual Report. After completing its internal review, the RSA team carried out the following information gathering activities with IDRS and stakeholders in order to gain a greater understanding of IDRS' strengths and challenges:

- conducted six teleconferences with VR and IL stakeholders beginning in November 2007;
- conducted eight teleconferences with IDRS leadership, staff, and the SRC chairperson beginning in November 2007;
- conducted two teleconferences with representatives from the Client Assistance Program;
- conducted seven teleconferences with IDRS IL program staff, SILC members and administrative staff, and OIB staff; and
- conducted an on-site monitoring visit from April 28 through May 2, 2008, during which RSA review team members met with leadership and field staff of DHS, IDRS, the Client Assistance Program, Community Rehabilitation Programs (CRPs), and members of the SILC and SRC.



## CHAPTER 2: IDRS VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

---

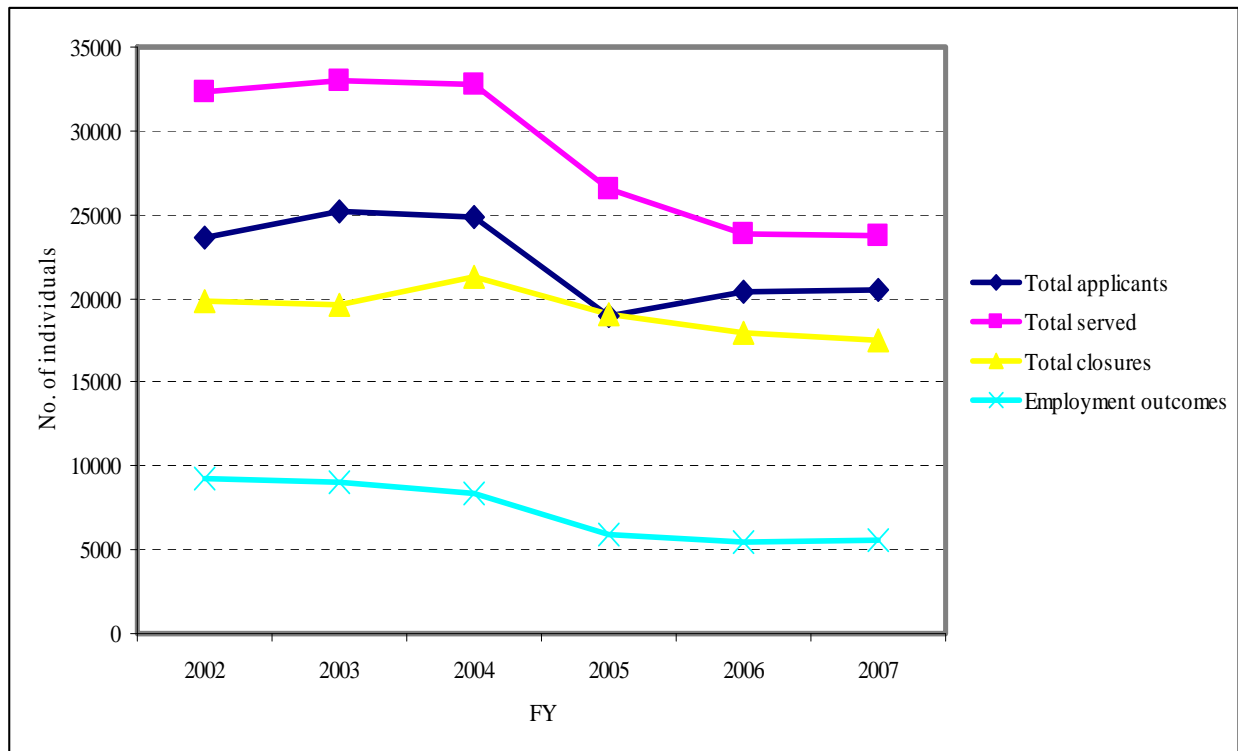
### Agency Information and Performance

As shown in Figure 2.1, from FY 2002 to FY 2007, there has been a significant decrease in the number of applicants, individuals served, individuals who achieved successful employment, individuals who achieved employment in an integrated setting, and persons who achieved competitive employment and were not employed at application. However, the total number of applicants has increased since FY 2005.

Additionally, from FY 2006 to FY 2007, IDRS increased the number of individuals who achieved employment, the number of individuals who achieved employment in an integrated setting, individuals who achieved competitive employment and were not employed at application and individuals who achieved competitive employment with employer-provided medical insurance.

In FY 2007, IDRS served 23,721 individuals and successfully rehabilitated 5,603 individuals. Of those who achieved successful employment, 274 individuals achieved an SE outcome. During the five-year period beginning in FY 2002, the number of individuals who achieved employment has decreased from 9,271 in FY 2002 to 5,603 in FY 2007. The number of applicants decreased from 23,624 individuals in FY 2002 to 20,513 individuals in FY 2007. The number of individuals served has also decreased from 32,378 individuals in FY 2002 to 23,721 individuals in FY 2007.

Figure 2.1: Trends FY 2002 – FY 2007



IDRS has increased the average hourly wage earned by individuals who achieved competitive employment from \$8.28 per hour in FY 2002 to \$9.41 per hour in FY 2007. The number of individuals who achieved competitive employment and received employer provided medical insurance has decreased from 2,497 individuals in FY 2002 to 1,559 individuals in FY 2007, and the average number of hours worked per week have remained unchanged at 29 hours per week since FY 2002.

Table 2.1 below, provides fiscal and program data for FY 2003 through FY 2007. These data provide an overview of the VR program’s costs, outcomes, and efficiency. The table identifies the amount of funds used by the agency, the number of individuals who applied, and the number who received services. It also provides information about the quality of the agency’s employment outcomes and its transition services.

**Table 2.1: VR and SE Program Highlights for IDRS for FY 2003 through FY 2007**

Data Elements	2003	2004	2005	2006	2007
Total funds expended on VR and SE	\$124,180,634	\$130,931,353	\$126,653,362	\$125,735,941	\$147,054,582
Individuals whose cases were closed with employment outcomes	9,057	8,401	5,906	5,413	5,603
Individuals whose cases were closed without employment outcomes	4,113	5,519	5,211	3,714	3,744
Total number of individuals whose cases were closed after receiving services	13,170	13,920	11,117	9,127	9,347
Employment rate	68.77%	60.35%	53.13%	59.31%	59.94%
Individuals whose cases were closed with supported employment outcomes	428	394	348	285	274
New applicants per million state population	1,779.60	1,734.38	1,226.25	1,306.24	1,304.67
Average cost per employment outcome	\$3,083.36	\$3,023.09	\$3,397.19	\$3,934.38	\$4,895.23
Average cost per unsuccessful employment outcome	\$2,706.99	\$2,551.09	\$2,743.19	\$2,874.39	\$2,881.07
Average hourly earnings for competitive employment outcomes	\$8.35	\$8.68	\$9.13	\$9.41	\$9.41
Average state hourly earnings	\$19.49	\$20.01	\$20.96	\$21.68	\$22.64
Percent average hourly earnings for competitive employment outcomes to state average hourly earnings	42.84%	43.38%	43.56%	43.40%	41.56%
Average hours worked per week for competitive employment outcomes	29.26	29.69	29.77	29.33	29.25
Percent of transition age served to total served	33.48%	31.95%	33.26%	36.59%	35.64%
Employment rate for transition population served	67.82%	61.12%	54.65%	62.34%	65.36%
Average time between application and closure (in months) for individuals with competitive employment outcomes	17.5	17.6	20.3	24.5	24.7

## VR and SE Service Delivery

IDRS has implemented an order of selection (OOS) since 1975, in accordance with section 101(a)(5) of the Act, because it lacks the financial and/or staff resources to provide services to all individuals eligible for VR services. Under its order of selection, the agency defines four priority categories for the provision of services including most significant, very significant, significant, and all other eligible individuals. Currently, IDRS is serving all individuals with the

most significant and very significant disabilities, as defined by IDRS policies. Individuals with significant disabilities and all other eligible individuals with disabilities are placed on a waiting list for services by date of application. At the beginning of FY 2007, there were 126 individuals on an OOS waiting list.

IDRS has developed strategies and initiatives to increase employment opportunities and outcomes for individuals accessing services. IDRS reported that it has instituted systems change to provide a greater number of job placements directly by staff. IDRS reported that from FY 2003 to FY 2007, there was an increase in the percentage of individuals placed in employment directly by IDRS staff from 19 percent to 39 percent. IDRS has also established an employment Unit, with nine employment resource specialists, who assist the VR counselors with arranging on-site work experiences, on the job evaluation and training, and work support groups. An employment resource specialist trains new counselors in job development and placement.

IDRS VR counselors also work in conjunction with the Work Incentive Planning and Assistance Program (WIPA) to provide benefits planning to persons with disabilities in preparation for returning to work and understanding the impact of employment on Social Security benefits. Since its inception in October 2006, the WIPA Program has provided direct services to over 1,100 individuals and provided intensive case management services to over 250 working beneficiaries. Community Work Incentives Coordinators provide education and resources for individuals to successfully transition to employment.

In addition, IDRS is working in collaboration with approximately 95 CRPs and is a member of the Facilities Advisory Council, through which approximately 25 CRPs meet with IDRS every other month to discuss their partnership and challenges related to increasing the quantity and quality of employment outcomes. IDRS is striving to increase quality assurance for CRP services and to increase accountability.

IDRS is committed to increasing the number of individuals who receive transition services. The STEP program provides partial funding to the school system for transition specialists who work in collaboration with VR counselors, school personnel, transition-age youths, and family members to provide services. Although the percentage of transition-age youths served to total served has fluctuated from FY 2002 to FY 2007, the overall percentage served has remained relatively unchanged from FY 2002 (35.56 percent) to FY 2007 (35.64 percent). The largest percent of individuals served through IDRS are transition-age youths.

In FY 2006, IDRS received an allotment of \$1,054,628 to operate the SE program authorized under Title VI, Part B. In addition, IDRS expends significantly more in Title I funds on the provision of SE services and reported in its FY 2008 VR State Plan that it used \$4.9 million of Title I funds for this purpose. IDRS engages in contractual arrangements for the provision of SE services through approximately 80 CRPs located throughout the state and serves primarily individuals with developmental disabilities, mental illness, autism, and traumatic brain injury. IDRS funds these CRPs through milestone contracts through which payments are made for each benchmark achieved.

IDRS created a new program known as the Self Employment Rehabilitation Network (SERN). The SERN program provides additional support to individuals pursuing self-employment by pairing the individual with a mentor in the community who is already self-employed. Currently, individuals who are blind or visually impaired are participating in this program and the agency plans to expand the program to individuals with all other disabilities.

Finally, IDRS has a well-established assistive technology (AT) program. The AT Unit contracts with the Illinois Assistive Technology Program (IATP) to provide services to the agency including: consultation to the agency staff, evaluations, and training in the use of new devices. IDRS also operates a facility in Chicago that provides mobility training, services primarily for blind individuals, and a technology laboratory in Springfield that provides testing and evaluation of AT equipment.

## Personnel

IDRS employs 595 employees. Table 2.2 below presents the breakdown of number of staff and vacancies for each position. Of the total, 218 are VR counselors. IDRS indicated it has filled vacant positions with the recruitment of 24 VR counselors in FY 2008 and currently has 16 VR counselor vacancies.

**Table 2.2: IDRS Personnel Data Demonstrating Job Categories, Number of Staff in Each Category and the Number of Position Vacancies**

Position	Number of Staff	Number of Vacancies
Rehabilitation counselor	218	16
Sign language specialists	26	2
Spanish language specialists	25	3
Counselor trainee	11	0
Rehabilitation case coordinators	134	3
Rehabilitation and mobility instructors	16	3
Field office supervisors	38	1
Field office administrative support	17	1
Field support Unit staff	23	1
Business enterprise program for the blind	14	0
Central office staff	64	1
Bureau chiefs	2	0
Assistant bureau chiefs	7	0
Total	595	31

To ensure a high standard of competency and credentials for its qualified rehabilitation professionals under the CSPD, IDRS requires its VR counselors to possess a Master's degree in rehabilitation counseling or a related field. Currently, 26 percent of VR counselors have Master's degrees in Rehabilitation Counseling, 72 percent have a Master's degree in related fields, and 2 percent do not have a Master's degree. In the FY 2009 State Plan, IDRS reported that 202 of the 218 rehabilitation counselors meet its CSPD requirements. Of the 16 counselors who do not meet the CSPD requirements, nine individuals are enrolled in a Master's degree

program in rehabilitation counseling, and the other seven individuals are not enrolled in training and will not meet the CSPD requirements by September 30, 2008.

## **Data Management**

IDRS collects data on many aspects of the agency's operations, but does not always use it as a key resource in making decisions. Comprehensive performance data for all regional offices are available on the IDRS intranet, but there are issues with data accuracy that are not fully resolved. IDRS has not established a process for testing the validity of the data it collects.

IDRS utilizes a virtual case management system at each staff level that generates case management reports to monitor caseload size and movement. Agency leadership, field supervisors, and staff utilize case management reports to monitor case management activities to improve and increase the efficiency and effectiveness of case management in the service delivery process.

## **Quality Assurance**

The Quality Assurance Unit consists of one part-time and two full-time individuals who serve as case review specialists. The case review specialists conduct annual statewide case reviews and also send client satisfaction surveys to consumers at the time of successful and unsuccessful closure. The surveys are intended to gauge customer satisfaction with the services provided, as well as the relationships with the counselors, and the extent to which the customer's needs were met.

In addition, IDRS conducts quality assurance activities to identify staff in need of training and assistance regarding interpretation and implementation of policies and procedures and the delivery of VR services. Training plans are developed for staff based on the supervisor's evaluation of individual performance.

## **Planning**

The DHS has developed an unpublished strategic plan that includes performance goals for IDRS. Officials and staff from the DHS and IDRS indicated that the plan includes values shared by both agencies (e.g., self-sufficiency) and performance goals for IDRS taken from the agency's VR State Plan.

As a part of strategic planning, IDRS has directed its field offices to develop plans to meet the goals and objectives of IDRS. These plans address the needs of the community in which the offices are situated. Field office staff share the responsibility with agency management for achieving agency goals.

## **Technical Assistance for the VR and SE Programs Provided to IDRS During the Review Process**

RSA provided VR and SE program TA to IDRS during the review process regarding:

- the federal regulatory requirements for the SE program;
- the agency's contracts with CRP providers (RSA noted that these contracts have varied outcome expectations and RSA advised IDRS leadership on how to implement a contract system that permits the agency to better evaluate these programs based on uniform outcome expectations);
- the establishment of minimum standards for case closures for individuals achieving SE with natural supports (currently IDRS has no minimum standard for such closures);
- revisions of the STEP third-party cooperative agreements to bring the arrangements into compliance with federal regulations;
- State Plan development including measurable objectives and transparency for stakeholders; and
- revisions to its policies concerning eligibility, order of selection, comparable benefits, self-employment, and the purchase and modification of vehicles.

### **Observations of IDRS and Its Stakeholders about the Performance of the VR and SE Programs**

RSA solicited input from IDRS and a wide range of its stakeholders about the performance of the VR and SE programs. IDRS and its stakeholders shared the following observations:

- referrals and applications are processed in a timely manner;
- the majority of consumers felt they are involved in the development of their Individualized Plan for Employment (IPE), informed about vendors and service providers and satisfied with timely services;
- there is a need to provide CRPs with a set number of referrals in order to enable them to meet their contract goals;
- there is a need to strengthen communication between the transition specialists and the VR counselors in order to increase services and employment outcomes for transition-age youths;
- there is a need for more consistent information about due process rights and advocacy programs;
- the need for more consistent guidance for self-employment, postsecondary education, and vehicular and home modifications;

- encouraging more individuals to pursue postsecondary education; and
- increasing the involvement of stakeholders in the development of the VR State Plan.

RSA discussed the observations of its stakeholders with IDRS and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

## VR and SE Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to IDRS about those observations. IDRS responded to each of the recommendations and in those instances when RSA and IDRS agreed upon a recommendation, RSA and IDRS identified the TA that RSA would provide to IDRS to successfully implement the recommendation.

### 1. Employment Outcomes

**Observation:** From FY 2002 through FY 2007, IDRS' performance with respect to the quality of employment outcomes has improved, declined, or remained unchanged (depending on the measure) while the quantity of employment outcomes has declined.

- IDRS has communicated that the current administration has prioritized quality employment outcomes above the quantity of employment outcomes. However, at this time, the quality of employment achieved by individuals served has not increased commensurate with the decrease in the number of individuals who achieve employment outcomes. The overall number of individuals who achieved competitive employment and received employer provided medical insurance has fluctuated from 2,497 individuals in FY 2002 to 1,559 individuals in FY 2007, and the average number of hours worked per week have remained unchanged at 29 hours per week since FY 2002. However, IDRS has increased the average hourly wage earned since FY 2002 and the number of individuals who achieved competitive employment and received employer provided medical insurance has increased from 1,525 individuals in FY 2006 to 1,559 individuals in FY 2007,
- As indicated in Table 2.3 below, from FY 2002 to FY 2007, there has been a significant decrease in the number of applicants, individuals served, individuals who achieved successful employment outcomes, individuals who achieved employment in an integrated setting, and individuals who achieved competitive employment and were not employed at application. However, from FY 2006 to FY 2007, IDRS has increased the number of applicants, individuals who achieved employment, individuals who achieved employment in an integrated setting, individuals who achieved competitive employment, without employment at application and individuals who achieved competitive employment with employer-provided medical insurance.
- RSA recognizes that the current agency management has implemented initiatives to increase not only the quantity of employment outcomes, but also the quality of



employment outcomes. However, IDRS may need to evaluate the impact of the initiatives in place to strike a proper balance between quantity and quality.

**Table 2.3: Applicants and Employment Outcomes**

Illinois Department of Human Services - Division of Rehabilitation Services	2002	2003	2004	2005	2006	2007
New applicants	21,504	22,512	22,044	15,647	16,759	16,765
Total individuals served	32,378	32,965	32,771	26,511	23,877	23,721
Employment outcomes	9,271	9,057	8,401	5,906	5,413	5,603
With employment in an integrated setting	7,910	8,016	7,443	5,165	4,812	4,983
With competitive employment - without employment at application	5,559	5,587	5,446	4,056	3,867	4,057
With competitive employment with employer-provided medical insurance	2,497	2,197	2,228	1,604	1,525	1,559
Average hours worked per week for competitive employment outcomes	29.92	29.26	29.69	29.77	29.33	29.25
Average hourly earnings for competitive employment outcomes	\$8.28	\$8.35	\$8.68	\$9.13	\$9.41	\$9.41

- As indicated in Table 2.4 below, funding for the VR program has increased from \$90,466,913, in FY 2002 to \$106,346,174, in FY 2007. While new applicants declined by 22 percent, the funding increased by 17.55 percent. As the funding has increased, IDRS has increased its spending per employment outcome.

**Table 2.4: Applicants and Funding FY 2002 through FY 2007**

Illinois Department of Human Services - Division of Rehabilitation Services	2002	2003	2004	2005	2006	2007
Grant award	\$90,466,913	\$91,967,258	\$94,793,657	\$95,138,073	\$100,712,441	\$106,346,174
New applicants	21,504	22,512	22,044	15,647	16,759	16,765

- In an effort to increase the quantity and quality of employment achieved by individuals served, IDRS increased the percentage of individuals who achieved employment through internal placements from 19 percent in FY 2003 to 39 percent in FY 2007. IDRS also established an Employment Unit to develop employment opportunities with Illinois corporate partners to increase the quality of employment achieved by the individuals

served. While the employment resource specialists (ERS) partner with field offices to develop employment opportunities in the local communities, VR counselors communicated that they would like to see the communication between VR counselors and the ERS strengthened, as well as an increase in the knowledge of local community needs.

- Although IDRS has developed strategies to increase the quantity and quality of employment outcomes, at this time IDRS has not evaluated the impact of the programmatic shift to internal placement and the Employment Unit on the quality or quantity of employment outcomes.
- IDRS has an AT Unit that provides evaluations, training and support services for consumers. According to the AT Unit, the Blind Services Unit within IDRS utilizes the AT Unit much more frequently and effectively than the Field Services Unit. The AT Unit indicated that it would like to expand outreach and education to field and transition counselors on AT and utilization of the AT Unit. As indicated in Table 2.5 below, in FY 2007, the employment rate for persons receiving rehabilitation technology services was higher than the employment rate for all individuals served. The receipt and use of AT equipment may contribute to the rehabilitation of individuals served and quality of employment outcomes.

**Table 2.5: Individuals receiving Rehabilitation Technology Services Compared to All Individuals Served in Illinois, during FY 2007**

Number of Individuals Receiving Rehab Tech Services with Successful Closures	All Successful Closures	Percent of Successful Closures Receiving Rehab Tech Services	Number of Individuals Receiving Rehab Tech Services with Unsuccessful Closures	All Unsuccessful Closures	Agency Employment Rate for Individuals Receiving Rehab Tech Services	Employment Rate for All Individuals Served
621	5,603	11.08%	168	3,744	78.71%	59.94%

**Recommendation 1:** RSA recommends that IDRS:

- 1.1** consider an evaluation to identify the reasons for the decrease in the number of applicants, total individuals served, and employment outcomes. Based on the analysis of data, develop goals and strategies to increase the number of applicants, total individuals served, and employment outcomes;
- 1.2** evaluate the impact of internal placement and the Employment Unit on the quality and quantity of employment outcomes;
- 1.3** develop a system to collect and analyze data comparing the number and quality of employment outcomes achieved through job development and/or placement by CRPs, the ERS, and VR counselors to gain a better understanding of the impact of the Employment

Unit on high quality employment outcomes and the strategies that need to be strengthened or developed;

- 1.4 develop opportunities for the staff of the Employment Unit to meet with field counselors and supervisors on a regular basis to assess the needs in the local communities;
- 1.5 develop goals and strategies to better utilize the Employment Unit to develop work opportunities and internship possibilities for transition-age youths, as well as all other individuals served by IDRS;
- 1.6 assess the utilization of AT and develop goals and strategies for the Field Services counselors to utilize the AT Unit; and
- 1.7 develop goals and strategies for better coordination and communication between the AT Unit and the transition and STEP counselors, to increase the provision of AT to the transition population.

**Agency Response:** IDRS will give serious consideration to each of the recommendations for performance improvement.

**Technical Assistance:** IDRS does not request TA.

## 2. Case Closure Prior to Service Delivery

**Observation:** IDRS closes a significant percentage of cases prior to the development of the IPE and Service Delivery.

- Since 1975, IDRS has implemented an OOS, in accordance with section 101(a)(5) of the Act, because it lacks the financial and staff resources to provide services to all individuals eligible for VR services. In June 2005, IDRS added a category, "Very Significant Disability," to the OOS. IDRS is currently serving all individuals with the most significant and very significant disabilities, as defined by IDRS policies. Individuals with significant disabilities and all other eligible individuals with disabilities are placed on a waiting list for services by date of application.
- According to FY 2007 data, 126 individuals were on a waiting list at the beginning of the year. During the on-site monitoring portion of the review, IDRS communicated that throughout FY 2009, it expects to serve individuals with most significant and very significant disabilities, and it expects to continue to place individuals with significant disabilities and all other eligible individuals on the waiting list for services.
- Although IDRS places a small number of individuals on waiting lists for services under its OOS, RSA has observed, based on a review of data, that a large percentage of cases are closed prior to the time the individuals develop an IPE and the provision of services. In FY 2007, IDRS closed 46.25 percent of cases prior to the development of an IPE.

- As indicated in Table 2.6 below, IDRS has closed 14,614 cases of individuals prior to the development of their IPEs. The largest number of cases closed are after an individual has completed a referral for IDRS services (6,298) and prior to the completion of an application, followed by cases closed after application but prior to an individual being determined eligible for VR services. At this time, IDRS has not evaluated the reasons persons are exiting the system prior to the development of the IPE, to include cases of individuals closed during the referral and application stages of the rehabilitation process.

**Table 2.6: FY 2007 Closures by Program Status Prior to Development of IPE**

Type of Closure	STEP Transition	Non-STEP Transition	Not Transition	All Cases
Closure from Referral Status	195	114	5,989	6,298
Closure from Application Status	292	197	3,390	3,879
Closure from Trial Work Status	16	8	115	139
Closure from Eligibility Status	2,386	391	1,521	4,298
<b>Total Closures from Referral to Eligibility by program type</b>	<b>2,889</b>	<b>710</b>	<b>11,015</b>	<b>14,614</b>

- According to Table 2.7 below, in FY 2007, 21.80 percent of case closures occurred after an individual’s application was processed, which exceeded the national average of 15.67 percent. In addition, the percentage of individuals, whose cases were closed after they were determined eligible for VR services, also exceeded the national average of 21.85 percent.

**Table 2.7: Percent of Individuals Closed from Application and Eligibility, FY 2006**

Individuals	FY 2006		FY 2007	
	From Application Status	From Eligibility Status	From Application Status	From Eligibility Status
Percent of Individuals Closed Prior to Development of IPE	21.69%	25.09%	21.80%	23.43%
National Combined Agencies' Percent of Individuals Closed Prior to Development of IPE	16.04%	23.40%	15.67%	21.85%

**Recommendation 2:** RSA recommends that IDRS:

- 2.1. examine reasons why a large percentage of cases are closed prior to IPE development, with particular focus on the number of cases closed from application and referral;
- 2.2. examine reasons that the cases of a significant number of transition-age youths are closed after eligibility and prior to the development of the IPE; and
- 2.3. identify strategies to address the factors leading to case closure prior to the development of

the IPE and service delivery.

**Agency Response:** IDRS will give serious consideration to each of the recommendations for performance improvement. Data analysis on this issue has begun and preliminary results have been shared with RSA. Training will be held with transition staff in September to address the issue for the transition age population.

**Technical Assistance:** IDRS does not request TA.

### 3. IDRS contracting practices with Community Rehabilitation Programs (CRPs)

**Observation:** There are approximately 95 to 100 CRPs that provide services to IDRS customers, such as job placement, job coaching, on the job evaluations (OJE) and on the job trainings (OJT) through cooperative work agreements. IDRS has implemented a new strategic approach to job placement and is implementing “outcome-based” contracting in coordination with CRPs in order to improve their accountability for quality employment outcomes.

- Current contracts are administered through a group billing process, which IDRS will replace with outcome-based contracting. At this time, IDRS operates a recurring payment system: each month, 1/12 of the contract is paid and reconciled at the end of the year, based on outcomes. The current process affects the agency’s ability to effectively manage resources and payment for services based on performance outcomes.
- IDRS is piloting a new strategic approach to job placement, called “Outcome-Based Contracting.” IDRS collaborated with the CRPs to establish a rate of \$5,194 per employment outcome, based on the number of outcomes CRPs achieved the prior year and the cost per outcome per year. As a result of outcome-based contracting, IDRS has developed “milestone contracts. Milestone contracts are used for assessments and job placement. In mental health milestone contracts, the total fee of \$5,194 is divided and one-third of the amount is paid on the 5th, 30th, and 90th day of employment.
- IDRS also uses Total Fee for Service contracts. Under these contracts, CRPs are paid 20 percent of \$5,194 for providing services at referral for activities such as assessment or job readiness, 30 percent of \$5,194 at placement, and 50 percent of \$5,194 when the individual has maintained employment for 90 days. CRPs are paid an established fee, per hour, to provide SE services, including extensive job coaching for a set period of time, but which may be extended depending on the individual’s needs.
- IDRS does not maintain a database to track the quality of services and performance outcomes of CRPs to evaluate the effectiveness and efficiency of services provided to individuals with disabilities. These data would assist IDRS with monitoring the progress of services, as well as evaluating services provided and received, to determine the most effective allocation of resources to increase employment outcomes.
- RSA and IDRS discussed how IDRS is building accountability and quality assurance into the CRP contracts. Currently, monthly progress reports are submitted with the bills, and

staffings are arranged with the CRPs and VR counselors every eight weeks. In some instances, CRPs place individuals in employment that is completely different than the goal on their IPEs. The counselor and the individual discuss employment outcomes and if the individual is in agreement with the employment, then the IPE is amended to reflect the current employment goal. If the individual is not satisfied with the employment outcome, the CRP is neither given credit for the placement nor paid.

- All billing information and progress reports come through the Contract Administrators and the local offices. The counselors are given 10 days to verify that services were rendered and progress reports must be submitted with the group billing on a monthly basis.

**Recommendation 3:** RSA recommends that IDRS:

- 3.1 evaluate and develop strategies, such as the development of a “report card” system, to improve the performance of the CRPs with which the agency contracts;
- 3.2 review data and other information related to the agency’s current-contracting methods, to determine which method promotes greater performance and accountability among CRPs;
- 3.3 based on this review, streamline and improve the agency’s contracting methods so that it can more effectively and efficiently conduct programmatic and fiscal oversight of its contracts; and
- 3.4 develop written procedures to reconcile and govern contract payments.

**Agency Response:** IDRS will give serious consideration to each of the recommendations for performance improvement. Changes in the contract system have been implemented as of July 1, 2008, to increase accountability and emphasize performance. Changes have been made to the computerized case management system to allow for better tracking of CRP cases and outcomes. Other changes are under consideration and will be made in light of the feedback from RSA.

**Technical Assistance:** IDRS has requested TA regarding recommendation 3.1, particularly with regard to the establishment of a “report card” system for CRP contracts, and requested information and examples of CRP report cards from other state VR agencies that constitute best practices in this area.

#### 4. Supported Employment

**Observation:** While IDRS has begun an evidence-based SE initiative, the agency either under-utilizes SE or under-reports SE outcomes, or both.

- As indicated in Table 2.8 below, the number of individuals who achieved SE outcomes has decreased from 506 in FY 2002 to 274 in FY 2007.

**Table 2.8: Supported Employment Outcomes FY 2002-2007**

Illinois Division of Rehabilitation Services Individuals whose cases were closed after receiving services. .	2002	2003	2004	2005	2006	2007
<b>With supported employment</b>	506	428	394	348	285	274

- In FY 2007, IDRS assisted 4.89 percent of individuals achieving employment outcomes to obtain SE, while its peers<sup>1</sup> (of similar grant size) have assisted, on average, 11.21 percent of individuals to achieve SE.
- IDRS receives an annual allotment of approximately \$1,054,628 million to operate the SE services program authorized under Title VI, Part B. In addition, IDRS expends significantly more in Title I funds on the provision of SE services. For example, as reported by IDRS in its FY 2008 VR State Plan, IDRS used approximately \$4.9 million of Title I funds for this purpose in FY 2006.
- IDRS administers a small state-funded program through which it receives \$2.132 million for the provision of extended services. Although there was a reduction in funding between FY 2005 and FY 2006, for FY 2006 through FY 2008, the general revenue fund (GRF) has remained unchanged. In FY 2006, IDRS served 250 individuals in extended services utilizing 45 provider agencies. These numbers represent people with mental health needs, developmental disabilities, autism and traumatic brain injury.
- As a result of the FY 2007 comprehensive needs assessment, IDRS has focused efforts to maximize the availability of SE services. In FY 2007, IDRS began a strategic planning activity with CRPs to identify methods to target SE services more effectively for those VR customers with the greatest need. In FY 2007, IDRS served 224 individuals in its SE program using Title VI Part B funds, and served an additional 2,282 individuals using other funds.
- Upon review of the SE data, IDRS indicated that it intends to analyze IDRS data and coding practices to determine if the correct number of federally defined SE services and outcomes are being reported. Currently, IDRS utilizes codes 300 and 333 to distinguish between SE and state-funded extended services.
- During meetings with the agency’s SE staff, RSA observed that some of the staff were uncertain about the federal regulatory requirements for SE. For example, they could not distinguish between the SE services provided through the VR program and the long-term supports (extended services) provided through other sources once the individual

<sup>1</sup> Peer states are determined based on similar grant size: Florida, New York, Ohio, and Pennsylvania.

transitions to stable employment in the community. The uncertainty of staff of how to code cases can also contribute to the possibility of under-reporting individuals receiving SE services and achieving SE outcomes.

- IDRS engages in contractual arrangements for the provision of SE services with 45 CRPs funded with Title I funds and 27 CRPs funded with Title VI-B funds. The CRPs are located throughout the state and serve individuals with developmental disabilities, mental illness, and a variety of other disabling conditions. The majority of CRPs are CARF accredited.
- IDRS has specific counseling staff designated as SE counselors. These counselors assist individuals with pre-employment placement activities, career assessments, mock interviews, job clubs, and resume writing as preparation for employment. IDRS VR counselors also work in collaboration with CRPs to develop viable IPEs for the individuals they serve. IDRS VR counselors work to identify extended services funding that is required to be in place once the time-limited period of VR involvement ends.
- IDRS indicated that it is difficult to secure adequate extended services funding to serve all individuals who may benefit from SE. The funding of \$2.1 million from the GRF has not increased since 1980, the funding for Developmental Disability providers continues to decrease, and services from mental health providers are few in number. This lack of funding for extended services affects the ability of IDRS to assist individuals to achieve SE outcomes through the VR program. To address this issue, in limited circumstances, IDRS has used the state-appropriated extended services funds to provide extended services for a period of time until a more permanent source of funding can be identified.
- IDRS indicated that many of the individuals who are determined to have achieved successful SE outcomes are provided natural supports for extended services. During discussions with both the IDRS leadership and staff, it was stated that there are no standards for the level of supports that are appropriate prior to case closure for individuals achieving SE with natural supports.
- IDRS has worked with 14 evidence-based SE CRPs throughout the state to improve services to the mental health population through evidence-based SE. The Johnson & Johnson Corporation awarded a three-year grant to 11 mental health providers in Illinois to develop this service delivery model. These projects are in their second year of the grant. The model uses the “fidelity scale” to assess program participants and includes 15 principles that are targeted to be addressed with program participants. Some of these principles are as follows: working in a team approach, zero exclusion, preferences of people, integration with other mental health services, individualized follow-along, benefits planning, rapid job search in the community, job transition, and competitive jobs. If these principles are met, it is believed that this will yield 3-5 times more successful outcomes with the psychiatrically disabled population. Leaders from Dartmouth College consult with these CRP providers on the implementation of the model.

**Recommendation 4:** RSA recommends that IDRS:



- 4.1 analyze data to determine the need for SE among individuals with the most significant disabilities in the state, as well as to assess the resources needed to meet the demand;
- 4.2 analyze data to compare the quality of the outcomes obtained by participants in SE who receive extended services through natural supports, Medicaid waivers available through the developmental disabilities and mental health systems, and the state-funded extended services program;
- 4.3 develop goals, including annual and long-term targets, to measure improvement in the number and quality of SE outcomes, and strategies to achieve the goals;
- 4.4 develop standards for the level of supports that are appropriate prior to case closure for individuals achieving SE with natural supports;
- 4.5 partner with the providers of evidenced-based SE throughout the state to establish methods for evaluating the performance of these providers, including baseline data and targets, to enable IDRS to assess the effectiveness of this approach;
- 4.6 provide staff training on the federal regulations governing the provision of SE under Titles I and VI-B to ensure that staff implement the program correctly; and
- 4.7 negotiate new agreements with the divisions for developmental disabilities and mental health, both located within the DHS with IDRS that are focused on the achievement of employment and increasing the extended services funding available from these agencies.

**Agency Response:** IDRS will give serious consideration to each of the recommendations for performance improvement. Changes have been made to the contracting system for supported employment in order to improve accountability and fiscal controls.

**Technical Assistance:** IDRS requests TA in the area of supported employment, particularly in terms of identifying best practices in other state VR agencies.

## 5. Transition

**Observation:** IDRS provides VR services to transition-age youths in various ways. IDRS provides transition services through its own VR counselors and also collaborates with the school systems to provide enhanced transition services through third-party cooperative arrangements, known as the Secondary Transitional Experience Program (STEP). Although IDRS serves a significant number of transition-age youths through its transition programs, the agency's performance with respect to the quantity and quality of employment outcomes achieved has declined, remained unchanged, or improved, depending on the measure used.

- IDRS has implemented the STEP Program, which served 16,300 transition-age youths in 162 high schools throughout Illinois in FY 2007. Services include: classroom instruction that provides opportunities for career exploration and the development of job readiness

skills; independent living and community mobility skills training; and multiple work experiences in both school and community-based work sites. The transition specialists begin working with transition-age youths age 14.5 and assist transition-age youths with activities to prepare transition-age youths for the world of work, including job development, placement, and arrangement of job coaching services.

- IDRS indicated that it intends to expand transition-age youths activities beyond the STEP. In FY 2007, transition-age youths represented 35.64 percent of the total population served by IDRS. The percentage of transition-age youths served to the total number of individuals served has fluctuated between 31 percent and 36 percent since FY 2002. IDRS reported that 4,000 transition-age youths were served through transition services other than STEP in FY 2006.
- The majority of transition-age youths served by IDRS have learning disabilities, motor disabilities, or are blind, deaf, or hard of hearing.
- According to RSA-911 data, the number of transition-age youths who achieved successful employment outcomes has decreased from 3,273 in FY 2002 to 2,177 in FY 2007, and the number of transition-age youths achieving competitive employment has also decreased from FY 2002 to FY 2007. However, there has been a slight increase in the number of transition-age youths who achieved employment, as well as those who achieved competitive employment from FY 2005 through FY 2007.
- Based on FY 2007 data, IDRS had the highest employment rate for transition-age youths and served the highest percentage of transition-age youths, when compared to peer states. In FY 2007, IDRS had an employment rate of 65.36 percent for transition-age youths.
- While IDRS has prioritized the value of quality employment outcomes in the State Plan, the number of transition-age youths who achieved competitive employment at 35 or more hours per week and competitive employment with employer-provided medical insurance has decreased since FY 2002. However, from FY 2005 to FY 2007, there has been an increase in the employment rate of transition-age youths, as well as an increase in the number of transition-age youths who achieved competitive employment, individuals who achieved competitive employment with a significant disability, individuals with competitive employment at 35 hours or more per week, individuals who achieved competitive employment at SGA level at 35 or more hours per week and individuals who have achieved competitive employment with employer-provided medical insurance.
- Table 2.9 below shows IDRS' closure performance for transition-age youths from FY 2002 through FY 2007.

**Table 2.9: Employment Outcomes for Transition-Age Youths**

Illinois Department of Human Services - Division of Rehabilitation Services	2002	2003	2004	2005	2006	2007
With employment	3,273	2,990	2,718	2,021	2,082	2,177
Without employment	1,617	1,419	1,729	1,677	1,258	1,154
Employment rate	66.93%	67.82%	61.12%	54.65%	62.34%	65.36%
Percent of transition age served to total served	35.56%	33.48%	31.95%	33.26%	36.59%	35.64%
With competitive employment	3,110	2,939	2,675	1,981	2,040	2,115
With competitive employment with a significant disability	3,110	2,939	2,675	1,981	2,040	2,115
With competitive employment at 35 or more hours per week	1,257	1,027	1,002	815	828	863
With competitive employment at SGA level at 35 or more hours per week	1,242	1,019	996	812	819	861
With competitive employment with employer-provided medical insurance	824	629	682	562	614	631

- During on-site discussions, the transition specialists reported that they sometimes feel isolated and recommended IDRS and the school districts develop means through which the transition specialists can communicate efficient employment practices, such as regular face-to-face meetings.
- VR transition specialists and STEP transition specialists communicated that increased collaboration with the IDRS Employment Unit would assist them in developing internships, employment opportunities, and careers for transition-age youths.
- Some IDRS offices currently use the CILS to deliver independent living skills to transition-age youths. VR transition counselors requested that this approach should be expanded throughout the state to improve the ability of transition-age youths to obtain and maintain quality employment outcomes.
- The staff of the agency's AT Unit also indicated the need to strengthen collaboration with staff providing transition services, to improve the ability of transition-age youths to obtain and maintain quality employment outcomes.
- IDRS has developed strategies to increase the quantity and quality of employment outcomes for transition-age youths. IDRS has assigned VR counselors to each high school and is reaching out to resource and transition coordinators to market services to persons with developmental disabilities. IDRS has also encouraged the involvement of transition specialists on the Chamber of Commerce. The agency also instituted Local

Transition Planning Committees, which facilitate transition from school to work and identify local issues affecting transition services and employment outcomes.

- Transition-age youths who do not obtain successful employment through their involvement in the STEP program have their cases transferred to VR program counselors with adult caseloads for further job development, placement, or postsecondary education.

**Recommendation 5:** RSA recommends that IDRS:

- 5.1** evaluate the decline in the number of transition-age youths achieving successful employment and competitive employment outcomes;
- 5.2** develop goals, including annual and long-term targets, to increase the number of transition-age youths achieving competitive employment, the number of hours worked, wages earned, and employer-provided benefits for transition-age youths;
- 5.3** develop strategies to achieve the goals, such as using the expertise of the Employment Unit to develop internships and employment opportunities;
- 5.4** develop a forum for STEP staff to share effective practices in STEP programming;
- 5.4** improve and increase the independent living skills training provided to transition-age youths; and
- 5.5** enhance the use of AT assessments in coordination with the school system to determine a student's AT needs prior to transitioning out of high school.

**Agency Response:** IDRS will give serious consideration to each of the recommendations for performance improvement. An agency review of transition services and practices is underway. A special conference of transition staff is planned for the fall of 2008. Changes have been made to the computerized case management system in order to provide better planning for the needs of transition-age youths.

**Technical Assistance:** IDRS may request TA in the area of transition in the future, following additional analysis of data and input from transition staff.

## **6. Communication**

**Observation:** Staff and stakeholders indicated that IDRS policy and procedures are not always consistently implemented throughout the agency's field offices. More staff training may improve the implementation of policy and avoid instances when supervisors and counselors misinterpret or misunderstand IDRS policy.

**Recommendation 6:** RSA recommends that IDRS develop strategies to provide consistent guidance and training to field offices. Such strategies could include the use of the IDRS intranet to post policy questions and guidance, and the identification of a lead person to respond to policy questions to improve the consistency in policy interpretation and implementation.

**Agency Response:** IDRS will review its communication practices and staff assignments with the intention of improving the consistency of communication with staff.

**Technical Assistance:** IDRS does not request TA.

## 7. Planning

**Observation:** Expanding IDRS' strategic planning activities will improve their impact on the program.

- As a part of its strategic planning process, IDRS has charged each local office with developing a local office plan to meet the goals and objectives of IDRS. The local office plans will address the needs of the community and how they can be served by implementing agency goals. Local staff, as well as agency management, share responsibility for achieving agency goals.
- The DHS has developed a strategic plan that includes performance goals for IDRS; however, it has yet to be officially published. Officials and staff from the DHS and IDRS indicated that the plan includes values shared by both agencies such as self-sufficiency. In addition, the strategic plan includes performance goals for IDRS taken from the agency's VR State Plan.
- IDRS would benefit from increased collaboration between fiscal and program planning, as well as using data in the allocation of resources, program development, and in monitoring of services. Although IDRS has access to data, it does not use this information consistently in the planning and monitoring of programming.
- IDRS involves consumers in the development of the goals and objectives contained in the State Plan. IDRS also obtains input and feedback from the SRC. IDRS is developing a survey and public input process to elicit feedback on specific items. IDRS intends to focus on specific goals for which it will be accountable. There are plan categories that are retained (job quality) and IDRS intends to add to and improve the indicators currently in the State Plan. IDRS is also looking at specific transition-age youths measures, the rate of children going into postsecondary education, employment rates, and transition data in the State Plan.
- IDRS would benefit from including a more systematic approach to State Plan development that addresses plan elements beyond goals and priorities. The State Plan does not address measurable strategies the agency will implement to achieve its goals, the measures it will use to assess its progress in working towards these goals, the data sources that provide the information or the targets it can use to determine when the agency has achieved its goals. In the absence of these components of a plan, it will not be possible for either IDRS or RSA to make an objective determination of the extent to which the agency has met its goals.

**Recommendation 7:** RSA recommends that IDRS:

- 7.1 implement a strategic planning process that includes strategies to ensure the plan clearly communicates the agency will pursue to improve its performance and achievement of their goals and priorities;
- 7.2 present information in the State Plan using a more quantitative approach, with contextual information provided, attention to baseline data and data sources, and addressing the differences between interim performance targets and final performance targets. Include in the State Plan measures, targets, and data sources that allow for a determination of success in meeting agency goals and objectives;
- 7.3 integrate fiscal data and program data in planning, policy development, and evaluation activities to avoid an incomplete perspective in planning;
- 7.4 develop strategies to further solicit input from stakeholders such as the SRC, SILC, CRPs, and Client Assistance Program in strategic planning and in developing the VR State Plan;
- 7.5 increase the collection, analysis and use of data to help provide a basis for data-driven decision-making. Increased use of data in decision-making will allow for enhancements in IDRS' operations; and
- 7.6 extend a focus on data and analysis into program evaluation activities to assess program performance over time and against desired levels of performance.

**Agency Response:** IDRS will review its planning procedures to increase the use of quantitative information and enhance its consultation with designated councils and other stakeholders.

**Technical Assistance:** IDRS may request TA in the area of planning at a later time.

**8. Quality Assurance**

**Observation:** IDRS would benefit from an expansion of its Quality Assurance (QA) process. The agency's current QA processes apply primarily to a statewide case review of the VR process and provision of services.

- The QA Unit consists of three individuals who serve as case review specialists. Two individuals are full-time, and one individual is part-time. The case review specialists conduct annual statewide case reviews and also send individual satisfaction surveys to consumers, at closure. The surveys are intended to evaluate customer service, relationships with the counselors, and the extent to which the consumer's needs were met.
- Expansion of the QA could enable IDRS to understand the experiences and satisfaction of individuals involved in the VR process.

- Supervisors are required to review one case per each counselor, each month and send the review summary to the QA Unit. Staff are rated based on these supervisor reviews, and the supervisor's ratings are entered in a database. An analysis is then done to identify people in the bottom of two categories: those who have the fewest employment outcomes, and those with the lowest overall evaluation. Training plans are being developed for additional supervision and training for persons who are performing poorly.
- IDRS has not developed standards for CRP performance. There is no system to ensure accountability of, fiscal control over, and the degree of success achieved by CRPs.

**Recommendation 8:** RSA recommends that IDRS:

**8.1** expand QA activities to programmatic and fiscal activities beyond case reviews;

**8.2** expand quality assurance activities into other areas of the agency's operations. These activities should include CRP performance, contract administration, and the cost effectiveness of agency services; and

**8.3** survey and analyze consumer satisfaction/experiences at multiple points in the service delivery process to determine consumer satisfaction and the reasons for the high percentage of case closure from application and eligibility status.

**Agency Response:** IDRS has begun the process of strengthening the relationship between the existing QA Unit, which focuses on casework quality issues, and the Fiscal Unit and Contract Units, which deal with contract arrangements and payments to providers. This will enable IDRS to have a more consistent approach to evaluating the performance of providers, including CRPs. The IDRS customer satisfaction measurement process will be expanded to include the specific recommendations above.

**Technical Assistance:** IDRS requests TA in the area of quality assurance, particularly in terms of identifying best practices of other state VR agencies. In addition, IDRS requested examples of how other state VR agencies have structured QA utilizing fiscal staff. IDRS would like examples of how the fiscal staff can be integrated into the strategic planning process.

## **VR and SE Compliance Findings and Corrective Actions**

RSA identified the following compliance findings and corrective actions that IDRS is required to undertake. IDRS must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and is available to provide TA to assist IDRS.

## Compliance Findings and Corrective Actions

### 1. Third-party Cooperative Arrangement

**Legal Requirement:** Agencies entering into third-party cooperative arrangements must comply with the requirements of 34 CFR 361.28, which reads as follows:

- (a) The designated State Unit may enter into a third-party cooperative arrangement for providing or administering VR services with another State agency or a local public agency that is furnishing part or all of the non-Federal share, if the designated State Unit ensures that--
  - (1) The services provided by the cooperating agency are not the customary or typical services provided by that agency but are new services that have a VR focus or existing services that have been modified, adapted, expanded, or reconfigured to have a VR focus;
  - (2) The services provided by the cooperating agency are only available to applicants for, or recipients of, services from the designated State Unit;
  - (3) Program expenditures and staff providing services under the cooperative arrangement are under the administrative supervision of the designated State Unit; and
  - (4) All State Plan requirements, including a State's order of selection, will apply to all services provided under the cooperative program.
- (b) If a third party cooperative agreement does not comply with the statewideness requirement in §361.25, the State Unit must obtain a waiver of statewideness, in accordance with §361.26.

**Finding:** IDRS enters into 162 third-party cooperative arrangements with local school districts, known as the Secondary Transitional Experience Program (STEP), to provide enhanced VR services to transition-age youths. IDRS administers the majority of its transition services through these third-party cooperative arrangements. Currently, IDRS serves approximately 16,300 transition-age youths with the most significant disabilities in the STEP program in the 10th through 12th grades.

To determine if these arrangements are in compliance with 34 CFR 361.28, RSA reviewed several examples of written agreements implementing the STEP. In addition, RSA met with IDRS officials and staff and representatives from a variety of school districts in the Chicago area to discuss the manner in which the terms of the written agreements are put into practice.

Based on this review, RSA finds that the written agreements implementing the STEP arrangements and the conduct of the STEP projects in general are in compliance with 34 CFR 361.28, except as follows:



The written agreements do not clearly identify the amount of the non-federal share provided by the cooperating school districts, as required by 34 CFR 361.28(a). IDRS staff indicated the lack of this information is the result of changes made to the form for these types of agreements made by DHS. However, the staff indicated that each school district is providing the non-federal share, which IDRS uses to match the federal VR program funds contributed to the arrangements. IDRS must revise the written agreements implementing each STEP project to specify the amount of the non-federal share contributed by the school districts.

The written agreements do not clearly identify the services that are provided by the cooperating school districts. Consequently, RSA could not determine solely based on the language of the written agreements whether the services provided by the cooperating school districts are new services with a VR focus, or are existing services that have been expanded or modified to include a VR focus, in accordance with 34 CFR 361.28(a)(1). Although the agreements sometimes included a list of services that could be provided, the agreements did not indicate which of these services had been selected in each arrangement. However, during on-site discussions, IDRS staff and representatives of the school districts indicated that the services provided through the STEP projects are not typical of those mandated to be provided by the schools under the Individuals with Disabilities Education Act (IDEA). These services include the development of community-based work opportunities. Thus, though the operation of the STEP is consistent with federal requirements, the written agreements must be revised to clearly specify the services provided by the cooperating school districts that have been expanded or modified to have a VR focus.

The written agreements do not indicate who is to be served through the arrangements, as required by 34 CFR 361.28(a)(2), which states that only individuals who have applied for or are receiving VR services can be served. IDRS staff indicated that this lack of information also is the result of the changes made to the form for the agreements made by DHS. IDRS staff and school representatives again indicated that the program is administered in accordance with this federal requirement because only transition-age youths who are applicants or eligible for VR services are served through the STEP projects. IDRS must revise the written agreements implementing the STEP projects to be consistent with this federal requirement.

The written agreements do not indicate the manner in which IDRS exercises administrative supervision of the funds and staff used to implement the STEP projects, as required by 34 CFR 361.28(a)(3). IDRS staff indicated that the agency has developed the criteria for the hiring of the transition specialists employed by the school districts. While employed by the school districts, the STEP transition specialists report to IDRS supervisors. The IDRS supervisors and VR counselors monitor the STEP cases and carry out the non-delegable functions that only can be performed by qualified VR counselors employed by the agency, such as determining eligibility and approving the IPE. Additionally, IDRS staff supervise the transition specialists and evaluate their performance. Despite these efforts, RSA found during the course of the review that the agency should strengthen its oversight of these arrangements to monitor, evaluate, appropriately report, and hold the school systems accountable. Therefore, IDRS must revise the written agreements to reflect the manner in which the agency exercises administrative supervision over the funds and staff involved in the STEP projects. These revisions should include a description of the strategies developed by IDRS to improve the monitoring, evaluation, and accountability of the STEP projects.

Finally, the written agreements do not state that the STEP projects will be administered in accordance with all terms of the agency's State Plan, including the OOS, as required by 34 CFR 361.28(a)(4). Although IDRS staff and representatives of the schools indicate that all State Plan requirements, including those for the agency's OOS, are being applied in the STEP projects, the written agreements must clearly indicate this. To be consistent with the federal requirement, the agreement should specify the manner in which transition-age youths are assigned to priority categories for the provision of VR services under IDRS' OOS.

**Agency Response:** IDRS will work in consultation with RSA to develop a new STEP contractual agreement during the fall of 2008 to be implemented in contracts effective during FY 2010 (beginning July 1, 2009). The new agreement will include all of the elements listed above.

**Corrective Action 1:** IDRS must revise its third-party cooperative arrangement documents to be consistent with 34 CFR 361.28. Such revisions must include the following:

- A. The document must state that the third-party cooperating agency is providing all or part of the non-federal share and clearly specify the amount.
- B. The document must describe the scope of services offered through the arrangement. Specifically, services provided must be either new services or modified services with a VR focus.
- C. The document must specify that the arrangement is only serving individuals who are applicants or eligible for VR services.
- D. The document must describe in detail the way in which IDRS administers supervision over the funds and the staff.
- E. The document must specify that the third-party cooperative arrangement complies with all portions of the State Plan, including the OOS. The document should describe how the third-party arrangement program complies with the OOS.

**Technical Assistance:** IDRS requests TA.

## 2. State Rehabilitation Council

**Legal Requirement:** Pursuant to 34 CFR 361.17(b)(1), "Except as provided in paragraph (b)(3) of this section, the Council must be composed of at least 15 members, including-- ...

(vi) Four representatives of business, industry, and labor;...

(xi) At least one representative of the State workforce investment board; ...."

**Finding:** The Illinois SRC is not legally constituted as required under section 105 of the Act, because it lacks full membership. The following is a list of the vacant positions:

- one vacancy in the Business, Industry & Labor category, vacant since July 2006;
- one vacancy in the State Workforce Investment Board, which has never been filled;
- one vacancy in the Disability Advocacy Groups, vacant since July 2007; and
- two vacancies in the Secondary or Higher Education category, expired July 1, 2008.

**Agency Response:** Seven appointments have been made by the Governor’s Office, including two in the Business and Labor category, four in the Disability Advocacy Group category, and one in the Former Applicant or Recipient of VR Services category. IDRS anticipates that additional appointments will be made in the near future to fill remaining vacancies.

**Corrective Action 2:** Illinois must take the steps necessary to fill the vacancies on the SRC. IDRS must provide an assurance in connection with the approval of its FY 2009 State Plan to RSA that the SRC will be fully constituted with full membership through gubernatorial appointment.

**Technical Assistance:** IDRS does not request TA.

### 3. Order of Selection

**Legal Requirement:** Pursuant to federal requirements for the implementation of an order of selection, a state VR agency must develop criteria for determining an “individual with a most significant disability” by refining criteria in the definition of “individual with a significant disability” (Section 101(a)(5)(C) of the Act; 34 CFR 361.5(b)(30) and 361.36(d)(1)). The criteria to be refined are the number and degree of functional limitations, the amount of time needed for VR services, and the number of VR services needed (Federal Register, Vol. 61, No.94, May 14, 1996, Preamble, page 24395). An order of selection may not be based on any other factors (34 CFR 361.36(d)(2)).

**Finding:** IDRS has implemented an OOS. At the time of the review, IDRS had established agency policy requiring that individuals receiving Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits be defined as “individuals with most significant disabilities.” The Illinois Administrative Code, Title 89, Chapter IV, and Subchapter b, Part 553, Section 553.140 define the criteria for the priority categories under IDRS’ OOS, including “Most Significant Disability,” “Very Significant Disability,” and “Significant Disability.” Section (b) of these regulations provides that, if an individual meets the requirements of Section 553.140 (a), the following criteria must be met to determine the significance of his or her disability:

- 1) To be considered an individual with a most significant disability, he or she must:
  - A) Be an individual who has been determined eligible for disability benefits pursuant to Title II (SSDI) or Title XVI (SSI) of the Social Security Act.

By requiring that an individual be eligible for SSI or SSDI to be considered an individual with a most significant disability, IDRS has, in effect, created a fourth factor to be used in determining significance of disability. As a result, the fourth factor becomes the primary factor used to

determine significance of disability and to assign individuals to priority categories in the OOS. The discussion in the Preamble to the 1996 Order of Selection regulations, (Federal Register, Vol. 61, No. 94, May 14, 1996, page 24395), discusses the effect of using other factors and how the consideration of such factors can prevent some individuals with disabilities from being determined to have a “most significant disability,” even though they may demonstrate equal substantial functional limitations and have an equal need for multiple services over an extended period of time.

The agency’s definition for “individuals with the most significant disabilities” and its descriptions of its priority categories must meet the requirements of 34 CFR 361.36(d). IDRS must change the current definition of an “individual with a most significant disability” to comply with program requirements. IDRS can meet the requirements of 34 CFR 361.36(d)(1) and (2) by requiring that an individual demonstrate limitations in more than one functional capacity, by increasing the minimum services required, or by identifying a longer period of time needed for service provision (Federal Register, Vol. 61, No. 94, May 14, 1996, page 24395), as IDRS has done with the OOS priority categories for individuals with very significant, significant, and non-significant disabilities.

In addition, federal regulations at 34 CFR 361.42(a)(3)(i)(A) state that any applicant who has been determined eligible for Social Security benefits under Title II or Title XVI of the Social Security Act is presumed eligible for VR services. Furthermore, regulations at 34 CFR 361.42(a)(3)(i)(B) state that an individual who is eligible for SSI and/or SSDI is “...considered an individual with a significant disability as defined in 361.5(b)(31).” Therefore, IDRS regulations must be amended to indicate that individuals who are eligible for Social Security benefits under Titles II and XVI of the Social Security Act are deemed to be individuals with significant disabilities, rather than individuals with most significant disabilities.

Based on TA provided during the course of the review, IDRS is taking steps to revise its policies defining the priority categories under its OOS, including the categories of “most significant disability,” “very significant disability,” “significant disability,” and “all other eligible individuals,” to meet the requirements of 34 CFR 361.36(d) by eliminating the provision that assigns individuals receiving SSI or SSDI to the category of “most significant disability.” However, this process has yet to be completed.

**Agency Response:** IDRS has implemented a change in the computerized case management system so that as of August 2008, individuals receiving Social Security benefits will no longer be placed automatically into the “most significant disability” category. Assignment of these individuals to a priority category under the OOS policy will be based on the functional limitation evaluation process, as is the case with all other applicants. However, individuals receiving Social Security benefits will not be placed into a category lower than “significant disability,” regardless of the result of the functional limitation evaluation process. The process to implement this change in the Illinois Administrative Code has been referred to the VR Rules Committee as the first step in the process.

**Corrective Action 3:** IDRS must complete the steps necessary to promulgate revised policies that are in compliance with 34 CFR 361.36(d) and to indicate that individuals who are eligible

for Social Security benefits under Titles II and XVI of the Social Security Act are deemed to be individuals with significant disabilities, rather than individuals with most significant disabilities. Until the policy is updated in the Illinois Administrative Code, IDRS will use program directives to ensure that the policy is implemented immediately.

**Technical Assistance:** IDRS does not request TA.

#### 4. Residency Requirements

##### Residency Requirements

**Legal Requirement:** The Rehabilitation Act of 1973, as amended (Act), prohibits a state agency from imposing a "residence requirement...that excludes from services provided under the [state plan] any individual who is present in the State" (Section 101(a)(12) of the Act). The regulations governing the vocational rehabilitation (VR) program reinforce the prohibition, stating "The State plan must assure that the State unit will not impose, as part of determining eligibility under this section, a duration of residence requirement that excludes from services any applicant who is present in the State." (34 CFR 361.42(c)(1))

**Compliance Finding 4:** IDRS has implemented written policies establishing a duration of residency requirement through the Illinois Administrative Code at 89 IAC 557.15. These provisions require that IDRS determine residence and the availability of services based on individuals having a valid Illinois driver's license, an identification card, or a valid voter's registration card with an Illinois address. The same section of the Illinois Administrative Code, also defines the residence of a dependent student, for purposes of any college training case, as the state where the parents/guardians reside, thereby precluding all dependent students from receiving VR services.

##### Agency Response:

The Illinois administrative rule on residency (89 IAC 557.15) is designed to assure that the Illinois VR funds are provided to individuals with disabilities who are residents of Illinois. IDRS believes there should be a reasonable expectation that individuals seeking services from IDRS are not permanent residents of another state and therefore eligible to receive services from that other state. IDRS described significant variations among the states in terms of the financial support available to an individual for particular VR services, as well as variations in the degree to which an individual may be expected to participate in the cost of those VR services. In particular, IDRS cited the fact that IDRS pays more towards college costs than do the VR agencies in neighboring states. Therefore, IDRS is concerned that residents of nearby states will apply for VR services in Illinois and receive more generous benefits than are available in their own states. This is the concern that IDRS sought to resolve by establishing a requirement that individuals document their residency in Illinois. IDRS believes this rule is consistent with the Federal requirement set forth at 34 CFR 361.42(c)(1), because the Illinois rule states that the length of residence is not a requirement, and notes that the rule was not questioned in a previous monitoring visit.

IDRS believes that its rule is beneficial to the operation of its VR program. IDRS believes that elimination of the rule would create significant problems for the VR program by creating a demand for IDRS services from individuals living in other states seeking to take advantage of services that are more generous than those available in their own states. IDRS is concerned that this would put Illinois residents in competition for VR funds with persons living in other states, and may result in fewer individuals from Illinois being served. In addition, IDRS expressed concern that this could reduce political support within Illinois for the IDRS VR program at a time when state funds are significantly limited.

**RSA Response:** RSA seriously considered the comments submitted by IDRS, as well as the supplemental information that IDRS provided. Although the IDRS comments raise some legitimate policy concerns, we find that 89 IAC 557.15 fails to comply with the Federal requirements set forth at section 101(a)(12) of the Act and 34 CFR 361.42(c)(1) of the VR regulations, because it, in effect, establishes a duration of residence requirement. We want to make it clear that our finding is a narrow one and is grounded on the specific language of the IDRS rules, as discussed below.

First, 89 IAC 557.15 makes it clear that an individual must be an Illinois resident in order to receive VR services from IDRS. Residency is established by having a valid IL driver's license, an IL State ID card, or a voter's registration card showing an IL address (89 IAC 557.15(a)). According to the requirements governing obtaining an IL driver's license or State ID card, new IL residents have up to 90 days before they are required to obtain the appropriate documentation (see [www.cyberdriveillinois.com](http://www.cyberdriveillinois.com)). Although there is no requirement that an individual wait 90 days before getting an IL driver's license or State ID card, it is unreasonable to require that an individual obtain this documentation immediately, when Illinois law does not require the individual to do so. Rather, the State of Illinois allows individuals to retain and use their current driver's license or State ID card for up to 90 days after relocating to Illinois. Therefore, to require that an individual have a valid IL driver's license or State ID card in order to prove IL residency and, thus, eligibility for VR services in effect imposes a duration of residence requirement for the length of time it takes the individual to obtain these documents. Consequently, 89 IAC 557.15(a)(1) fails to comply with section 101(a)(12) of the Act and 34 CFR 361.42(c)(1) of the VR regulations.

The reference to an Illinois voter's registration card as proof of residence for purposes of receiving VR services is even more problematic (89 IAC 557.15(a)(2)). In order to register to vote in Illinois, an individual must, among other things, be a U.S. citizen and live in the election precinct for at least 30 days prior to registering to vote (see [www.elections.il.gov](http://www.elections.il.gov)). Neither the Act nor the VR regulations require that an individual be a U.S. citizen in order to receive VR services. Furthermore, if an individual finds it necessary, for whatever reason, to demonstrate IL residency via a voter's registration card, he or she would have to live in Illinois for at least 30 days before he or she could attempt to register to vote. Requiring this particular documentation clearly imposes a duration of residence requirement. Therefore, 89 IAC 557.15(a)(2) fails to comply with section 101(a)(12) of the Act and 34 CFR 361.42(c)(1) of the VR regulations.

In addition to the problems outlined above regarding the required documentation for establishing residence and, hence, eligibility for the VR program, we also find that 89 IAC 557.15 raises

additional legal concerns. As above, we will discuss each concern separately as it relates to Federal requirements.

First, 89 IAC 557.15 states: "Individuals from other states who are attending training programs in Illinois are considered to be residents of their home state." This portion of the rule singles out individuals receiving or seeking to receive post-secondary training and applies a special residency test to them. Because 89 IAC 557.15 requires that an individual must be an Illinois resident in order to be eligible to receive VR services, this portion of the rule essentially bases eligibility for VR services on the service needs of the individual. This is in direct violation to the VR regulations at 34 CFR 361.42(c)(2)(ii)(D). This provision of the VR regulations makes it clear that the eligibility requirements are to be applied without regard to the service needs of the individual or the anticipated costs of those services.

Second, 89 IAC 557.15(b) states: "Residency of the dependent student will be determined by the state where the parents/guardian resides, if applicable." This provision applies different requirements for "dependent" students and independent students or non-students. IDRS confirmed that even if the individual obtains an Illinois driver's license or State ID card or registers to vote, he or she would not be considered a resident of Illinois, and hence would not be eligible for VR services from IDRS, if the parents are residents of another State. We see no basis in the Act or VR regulations to treat students in a different manner than other individuals with disabilities in determining eligibility for VR services.

In light of the above, we believe that 89 IAC 557.15, as interpreted by IDRS, is inconsistent with section 101(a)(8) of the Act and 34 CFR 361.42(c)(1) of the VR regulations, which require that an individual be "present in the State" in order to apply for VR services and that a duration of residence requirement not be used to deny eligibility. We believe our reading of the Act and regulations is consistent with the language of those provisions, as well as with the legislative history of the Act.

The residency provision was added to the Vocational Rehabilitation Act Amendments of 1967 (P.L. 90-99) and took effect July 1, 1969. The provision has remained virtually the same since then. The intent of the provision was to prohibit States from imposing a residency test on individuals, which would require individuals to reside in the State for a set period of time prior to being eligible for the VR program. Rep. Claude Pepper, who introduced the bill in the House, said:

The final amendment proposed in this bill would amend the VRA to provide that, effective July 1, 1969, all States conducting vocational rehabilitation programs under an approved State plan would be required to furnish services to otherwise eligible disabled people, regardless of their ability to meet a residence test. This provision, so much in keeping with today's mobile population in the U.S., will permit State agencies to serve disabled people much more promptly, without the requirement that they remain disabled and idle until a year's residence, or other residence requirement, has been established. (Cong. Rec. H5125 (May 4, 1967))

The net effect of 89 IAC 557.15 is to keep individuals, who otherwise might be eligible for the VR program, from being considered for VR services until they provide the required documentation for that residency status, or, in the case of dependent students, makes it impossible to establish eligibility at all. This is the very practice that Congress wanted to prevent when it added the residency provision that currently exists at section 101(a)(12) of the Act. In sum, for all of the reasons discussed above, we find that 89 IAC 557.15 fails to comply with section 101(a)(12) of the Act and 34 CFR 361.42(c)(1) of the VR regulations.

**Corrective Action 4:** IDRS must revise its rule and policies to comply with section 101 (a)(12) of the Act and 34 CFR 361.42(c)(1), by eliminating: (1) the requirement that the residency of a dependent student must be determined by the state where the parents/guardians reside; and (2) the requirement that individuals possess a valid Illinois driver's license, identification card or voter registration card with an Illinois address. Until the rule is updated in the Illinois Administrative Code, IDRS must use program directives to ensure that the policy is implemented immediately.

**Technical Assistance:** TBD.



## **CHAPTER 3: FISCAL MANAGEMENT OF IDRS' VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS**

RSA reviewed IDRS's fiscal management of the VR and SE programs. During the review process, RSA provided TA to the state agency to improve its fiscal management and identified areas for improvement. RSA reviewed the general effectiveness of the agency's cost and financial controls, internal processes for the expenditure of funds, use of appropriate accounting practices, and financial management systems.

### **Fiscal Management**

The data in the following table, based on data reported on the fiscal reports submitted by the state agency, address the overall fiscal performance of the agency. The data related to matching requirements are taken from the respective fiscal year's final or latest SF-269 report. The carryover data are taken from the unobligated balance of federal funds portion of the fourth quarter Financial Status Report (SF-269). The maintenance of effort (MOE) requirement data are taken from the final or latest SF-269 report of the fiscal year that is two years prior to the fiscal year to which it is compared. Fiscal data related to administration, total expenditures, and administrative cost percentage are taken from the RSA-2.

**Table 3.1: Fiscal Profile Data for IDRS for FY 2003 through FY 2007**

Fiscal Year	2003	2004	2005	2006	2007
Grant Amount	91,967,258	94,793,657	95,138,073	100,712,441	106,346,174
Required Match	24,890,757	25,655,717	25,748,932	27,257,624	28,782,383
Federal Expenditures	91,967,258	94,793,657	95,138,073	100,712,441	90,234,532*
Actual Match	27,377,748	28,935,692	28,175,460	29,747,034	29,458,777
Over (Under) Match	2,486,991	3,279,975	2,426,528	2,489,410	676,394
Carryover at 9/30 (year one)	2,691,472	0	4,022,641	18,313,906	20,842,289
Program Income	4,287,003	2,459,962	4,239,629	2,659,564	2,891,573
Maintenance of Effort (MOE)	27,093,151	26,661,531	27,377,748	28,935,692	28,175,460
Administrative Costs	6,709,043	6,807,317	6,158,876	5,529,238	9,524,736
Total Expenditures**	124,180,634	130,931,353	126,653,362	125,735,941	147,054,582
Percent Admin Costs to Total Expenditures	5.40%	5.20%	4.86%	4.40%	6.48%

\*Deadline for obligating FY 2007 federal grant funds – September 30, 2008.

\*\*Includes SE Program Expenditures.

### **Explanations Applicable to the Fiscal Profile Table**

#### **Grant Amount:**

The amounts shown represent the final award for each fiscal year, and reflect any adjustments for MOE penalties, reductions for grant funds voluntarily relinquished through the reallocation process, or additional grant funds received through the reallocation process.

### **Match (Non-Federal Expenditures):**

The non-federal share of expenditures in the State VR Services Program, other than for the construction of a facility related to a CRP, is 21.3 percent, as established in the 1992 amendments to the Rehabilitation Act. A *minimum* of 21.3 percent of the total allowable program costs charged to each year's grant must come from non-federal expenditures from allowable sources as defined in program and administrative regulations governing the State VR Services Program (34 CFR 361.60(a) and (b); 34 CFR 80.24).

In reviewing compliance with this requirement, RSA examined the appropriateness of the sources of funds used as match in the VR program, the amount of funds used as match from appropriate sources, and the projected amount of state appropriated funds available for match in each federal fiscal year. The accuracy of expenditure information previously reported in financial and program reports submitted to RSA was also reviewed.

### **Carryover:**

Federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the VR agency met the matching requirement for those federal funds by September 30 of the year of appropriation (34 CFR 361.64(b)). Either expending or obligating the non-federal share of program expenditures by this deadline may meet this carryover requirement.

In reviewing compliance with the carryover requirement, RSA examined documentation supporting expenditure and unliquidated obligation information previously reported to RSA to substantiate the extent to which the state was entitled to use any federal funds remaining at the end of the fiscal year for which the funds were appropriated.

### **Program Income:**

Program income means gross income received by the state that is directly generated by an activity supported under a federal grant program. Sources of state VR program income include, but are not limited to, payments from the Social Security Administration for rehabilitating Social Security beneficiaries, payments received from workers' compensation funds, fees for services to defray part or all of the costs of services provided to particular individuals, and income generated by a state-operated CRP. Program income earned (received) in one fiscal year can be carried over and obligated in the following fiscal year regardless of whether the agency carries over federal grant funds. Grantees may also transfer program income received from the Social Security Administration for rehabilitating Social Security beneficiaries to other formula programs funded under the Act to expand services under these programs.

In reviewing program income, RSA analyzed the total amount (as compared to the total percentage of income earned by all VR agencies and comparable/like VR agencies), sources, and use of generated income.

## **Maintenance of Effort (MOE):**

The 1992 amendments revised the requirements in section 111(a)(2)(B)(ii) of the Act with respect to MOE provisions. Effective federal FY 1993 and each federal fiscal year thereafter, the MOE level is based on state expenditures under the Title I State Plan from non-federal sources for the federal fiscal year two years earlier. States must meet this prior year expenditure level to avoid monetary sanctions outlined in 34 CFR 361.62(a)(1). The match and MOE requirements are two separate requirements. Each must be met by the state.

In reviewing compliance with this requirement, RSA examined documentation supporting fiscal year-end and final non-federal expenditures previously reported for each grant year.

## **Administrative Costs:**

Administrative costs means expenditures incurred in the performance of administrative functions including expenses related to program planning, development, monitoring, and evaluation. More detail related to expenditures that should be classified as administrative costs is found in VR Program regulations at 34 CFR 361.5(b)(2).

## **Fiscal Technical Assistance Provided to IDRS During the Review Process**

RSA provided VR and SE program TA to IDRS during the review process regarding:

- cost allocation of staff time to the benefiting grant;
- the process for separation of duties from the counselor who approves the services for consumers and the staff person who approves the payment for the services provided;
- contract administration and the format of the contract document;
- format and management of the third-party cooperative arrangements;
- development of measurable goals and objectives with the contract language; and
- the proper completion of federal reports to track administrative staff and costs.

## Observations of IDRS about the Fiscal Management Performance of the VR and SE Programs

RSA solicited input from IDRS about the performance of the VR and SE programs. The IDRS and its stakeholders shared the following observations:

- personnel activity reports, conducted through Random Moment Sampling, may need review to ensure a more accurate accounting of staff time;
- more involvement of fiscal staff in the strategic planning process; and
- the need to evaluate the practice of making the payment of one-twelfth of the budget for the first eight months of the contract.

RSA discussed the observations with IDRS and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

## VR and SE Programs' Fiscal Management Performance Observations and RSA Recommendations

RSA identified the following fiscal performance observations and made recommendations to IDRS about those observations. IDRS responded to each of the recommendations and in those instances when RSA and IDRS agreed upon a recommendation, RSA and IDRS identified the TA that RSA would provide to IDRS to successfully implement the recommendation.

### 1. Separation of Duties

**Observation:** IDRS does not separate duties to ensure proper handling of the CRP billing.

- The counselor approves the service to be delivered and approves the payment for that service, which is then processed by financial staff.
- Financial staff process only the payments for the CRP according to the approval of the counselor.

**Recommendation 1:** RSA recommends that IDRS develop a system of checks and balances for the process of billing for purchased services to ensure that more than one person is involved in ordering the services to be provided and approving the expenditures for those services.

**Agency Response:** IDRS has begun a process of revising its contracting and fiscal systems to increase accountability and fiscal controls. The review will include the separation of duties issue outlined above.

**Technical Assistance:** IDRS requests TA regarding separation of duties. IDRS anticipates ongoing consultation with the RSA fiscal staff to address these concerns.

## 2. Contract Administration

**Observation:** A review of the contract format, payment structure, and related program services presented some issues that may affect the cost efficiency of the delivery of services.

- The contracts reviewed were paid in regular monthly payments (e.g., one-twelfth of the contract) for the first eight months without a requirement for documentation of the services provided during that time.
- IDRS reported that regular monthly payments were reconciled at the end of the year but no written procedures existed on how this reconciliation was handled.
- Contracts reviewed included a menu of services the CRP could provide but no requirements were included that ensured the provision of all services required by the individuals with disabilities served by the CRP.
- Payment benchmarks were time driven and paid according to time spent in the activity, and the contract did not indicate a need for proof of services delivered to achieve payment.

**Recommendation 2:** RSA recommends that IDRS:

**2.1** develop contracts under which CRPs are paid upon the documented delivery of services; and

**2.2** develop written procedures for any reconciliation of funding arrangements or other cost control measures.

**Agency Response:** IDRS has begun a process involving changes to its contracting system, which will resolve the issues associated with the recommendation above.

**Technical Assistance:** IDRS requests TA regarding contract administration. IDRS anticipates ongoing consultation with the TSA fiscal staff to address these concerns.

## 3. Third-Party Cooperative Arrangements

**Observation:** IDRS lacks a formalized process for the monitoring of its third-party cooperative arrangements established with local school districts. In addition, the written agreements through which these arrangements are implemented are sometimes inconsistent with respect to the level of payments made by each party for the same services.

- No written policies or procedures exist for the monitoring of non-federal match in the third-party cooperative arrangements.

- The six project administrators assigned to provide financial oversight of the third-party cooperative arrangement programs do not appear to be sufficient to cover a service population of 150 school districts and 16,000 transition-aged youths with disabilities.
- The arrangement with Ford County Special Education Cooperative states that DHS shall pay \$3,187 to provide services to four students and the Cooperative will pay \$60,042 to provide service to 30 students. These two groups of students are receiving the same transition services, but DHS is paying \$787 per student and the Cooperative is paying \$2,001 per student.
- IDRS staffing levels may not be sufficient to exercise proper oversight of these arrangements.

**Recommendation 3:** RSA recommends that IDRS:

- 3.1 develop written policies and procedures for monitoring the match earned in the third-party cooperative arrangements, including the review of source documents;
- 3.2 review the adequacy of the number of staff responsible for the statewide financial oversight of the third-party cooperative arrangements, to ensure proper coverage; and
- 3.3 assess payment levels within third-party cooperative agreements and ensure that there is parity in payment when delivered services and target populations are the same.

**Agency Response:** A complete review of the IDRS third-party contracting system is underway, relating to both the fiscal recommendations above and the program recommendations further above. IDRS will continue this review with the aim of resolving these issues and implementing changes for the contracts that go into effect for FY 2010 (July 1, 2009).

**Technical Assistance:** IDRS requests TA regarding third-party cooperative arrangements. IDRS anticipates ongoing consultation with the RSA fiscal staff to address these concerns.

#### 4. Timeliness of Fiscal Reporting

**Observation:** IDRS is not timely in the submission of its financial reports for the VR program, including the SF-269 and the RSA-2.

- At the time FY2008 monitoring began in October 2007, IDRS had yet to complete its financial reports for FY 2006 and no reports had been submitted for FY 2007. During the course of the review, RSA worked with the agency to bring its financial reporting up to date. At the conclusion of the on-site visit, IDRS was current in its financial reporting.
- The inability of the agency to carryout reporting activities related to the VR program may be caused by an inadequate number of financial staff. Officially, at the time of the review, the agency only had two individuals assigned to complete financial reporting for the VR

program. One of these individuals has left the employ of the agency since the conclusion of the on-site visit.

**Recommendation 4:** RSA recommends that IDRS review its staffing levels and training needs of the responsible staff in the fiscal section to determine if the staffing level is adequate and the staff are proficient in completing financial reports.

**Agency Response:** IDRS will review its staffing levels as they relate to the capacity to conduct the activities associated with the fiscal recommendations listed above.

**Technical Assistance:** IDRS does not request TA.

## **5. Written Policies Governing Rates of Payment**

**Observation:** IDRS does not have written policies governing the rates of payment for all VR services.

**Recommendation 5:** IDRS should develop and maintain written policies that will govern the rates of payment for all VR services.

**Agency Response:** IDRS confirms that no written policies currently exist, but plans to develop required policies to govern the rates of payment for all VR services.

**Technical Assistance:** IDRS does not request TA.

## CHAPTER 4: INDEPENDENT LIVING PROGRAM

### Agency Information and Performance

In FY 2007, IDRS's IL program served 2,530 individuals directly, or through grants or contracts with centers for independent living (CILs) and other service providers. CILs, receiving funding directly from RSA, provided IL services to 6,275 individuals in Illinois.

**Table 4.1: IL Program Highlights for IDRS for FY 2006 and FY 2007**

Data Elements	2006	2007
Funding: Title VII, Chapter 1, Part B	508,994	719,956
Funding: Total Resources (including Part B funds)	16,370,940	8,653,963
Performance: Total Served	9,466	2,530
Performance: Total Consumer Service Records Closed	4,200	1,440
Performance: Cases Closed, Completed All Goals	2,146	1,009
Performance: Total Goals Set	10,443	6,523
Performance: Total Goals Met	5,269	3,460
Performance: Total Accesses Achieved	2,870	1,644
Staffing: Total FTEs	4.00	4.00
Staffing: Total FTEs with Disabilities	3.00	3.00

### IL Program Administration and Service Delivery

Twenty-two of the 23 CILs in Illinois receive Part B dollars. All 23 CILs receive State General Fund dollars and these funds are administered by the IDRS IL Unit. Title VI, Part B is used to fund both SILC operations (\$188,034) and IL services in CILs (\$531,922). The state contributes \$4,941,400 to IL services and these funds are administered by the IDRS IL Unit.

### Personnel

IDRS has four full-time equivalents (FTEs), one supervisor and three staff within the IL Unit.

The SILC has two FTEs, consisting of one Executive Director and one Financial Manager.

### Data Management

The IDRS IL Unit receives quarterly programmatic reports from contractors. These reports are monitored to ensure they comport with existing contractual requirements. Variations from



expected levels may lead to TA efforts. Continued difficulties will inform future contract negotiations and may have a negative impact on future contracts.

## **Fiscal Management**

IDRS IL Unit staff receive monthly fiscal reports from contractors. These reports are reviewed to assure they are consistent with expenses identified in contracts. Variations from the expected amount for charges are denied for payment unless proper justification is provided. Justifications may result in approval of the charges especially in the case of one-time expenses. IDRS IL staff will follow up to assure the CILs stay within negotiated yearly expense totals. Continued variations in fiscal reports may result in changes to future contracts.

## **Quality Assurance**

In addition to the areas identified above, in FY 2007, IDRS IL Unit completed three on-site compliance reviews. These are 2.5-day reviews, and cover programmatic, administrative, and fiscal aspects of agency operations. Reviews also include reviewers from outside the agency, typically a CIL director from another CIL in Illinois.

Over the course of the year, IDRS provided TA on 143 occasions to all 23 CILs. Six CSR/704 development trainings were conducted with CILs and 14 follow-up reviews were conducted.

## **Planning**

Recent State Plan for Independent Living (SPIL) planning efforts were perceived by community members to be lacking sufficient outreach to CILs and the IL community in general. Members of the community have, however, confirmed that since the last SPIL, the SILC and the new Executive Director have instituted plans for the next SPIL development process that solicits input earlier and is more inclusive of CIL input in final decision making processes.

The Illinois Network of Centers for Independent Living (INCIL) plays an active role in SILC and SPIL processes. Numerous community members commented on INCIL's ability to communicate directly with SILC leadership on SILC projects as well as to inform activities on emerging issues.

Part B funds are contracted exclusively with CILs. Therefore, the programmatic data generated through monitoring provides a solid picture as to the progress on SPIL goals. The head of the IDRS IL Unit is an active member of the SILC and utilizes his Part B monitoring experiences to inform ongoing SILC efforts.

## **Promising IL Program Practices Identified by IDRS and Stakeholders During the Review Process**

RSA's review process solicited input from IDRS and stakeholders about promising practices. The following promising practices were identified:

## **1. Management of Part B dollars**

IDRS IL Unit staff are thorough and extremely collaborative in accomplishing their regulatory responsibility to administer Part B funds. Activities listed above cover some of these specifics. Additionally, however, there are a few programmatic aspects that should be noted:

- On-site reviews include a reviewer who is a former center director and there has not been a review finding for the previous two years. This practice increases buy-in from the reviewed center while simultaneously providing training to the reviewer on IDRS expectations.
- Center directors report that the IDRS IL Unit staff respond promptly to all requests for TA from reviewed center. Additionally, center directors feel comfortable in posing questions to IL Unit staff as questions or issues arise. This not only prevents problems, but also allows IDRS IL Unit staff to have an ongoing understanding of the IL issues in Illinois and plan accordingly.
- A majority of the IDRS IL Unit have both a disability and experience in managing CILs. Although not required for IDRS, these aspects add credibility to their efforts.

## **IL Program Technical Assistance Provided to IDRS During the Review Process**

RSA provided IL program TA to IDRS during the review process regarding:

- recent guidance provided by RSA on duties of SILC;
- methods to increase utilization of available RSA-704 data; and
- fiscal responsibilities of the DSU.

## **Observations of IDRS and Its Stakeholders about the Performance of the IL Program**

RSA solicited input from IDRS and a wide range of its stakeholders about the performance of the IL program. The IDRS and its stakeholders shared the following observations:

- IDRS IL Unit provides comprehensive support to CILs;
- inclusion of multiple aspects of the IL community into the SPIL process is growing; and
- a strong center coalition is a key component in Illinois.

RSA discussed the observations of its stakeholders with IDRS and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

## IL Program Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to IDRS about those observations. IDRS responded to each of the recommendations and in those instances when RSA and IDRS agreed upon a recommendation, RSA and IDRS identified the TA that RSA would provide to IDRS to successfully implement the recommendation.

### 1. Fiscal Accountability

**Observation:** Both OIB and the IDRS/IL programs require contractors to submit monthly fiscal reports that reflect reimbursement amounts stipulated in their specific contract.

- Variations from contract amounts are addressed with the contractors and must be resolved before payment can occur.
- Amounts under or over the expected amount may be reimbursed, depending on rationale (e.g., one time cost for a year long expense).
- Review of the fiscal report may lead to TA.
- Other than periodic on-site reviews, there is no time when contractors must provide source documentation to support information reported for any specific line item.
- On-site reviews are periodic and a contractor may not be reviewed for two years or more.

**Recommendation 1:** RSA recommends that OIB and IDRS/IL programs periodically require contractors to submit backup documentation for sections of their invoice.

**Agency Response:** IDRS will review documentation requirements for IL and OIB providers.

**Technical Assistance:** IDRS does not request TA.

### 2. Part B IL

**Observation:** RSA-704 reporting: Subpart III, Section A – Individual Services and Achievements of the 704 documents services requested and received by consumers.

- Illinois' Part I 704 reports included identical numbers for services requested and received for each type of service. After further discussion with IDRS/IL staff they understood the required outcome for this section. The review team provided TA by explaining that if a requested service is not available and the consumer is referred to another provider that this should be recorded as an Information and Referral Service and not as a service from that topic area.

**Recommendation 2:** RSA recommends that IDRS/IL provide training to clarify this misunderstanding.

**Agency Response:** IDRS will review the need for training regarding this recommendation.

**Technical Assistance:** IDRS does not request TA.

## **IL Program Compliance Findings and Corrective Actions**

RSA identified the following compliance findings and corrective actions that IDRS is required to undertake. IDRS must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and is available to provide TA to assist IDRS.

### **1. SILC Use of Part B Funds**

**Legal Requirement:** Section 705(c) of the Act provides:

The Council shall:

- (1) jointly develop and sign (in conjunction with the designated State Unit) the State Plan required in section 704;
- (2) monitor, review, and evaluate the implementation of the State Plan;
- (3) coordinate activities with the State Rehabilitation Council established under section 105, if the State has such a Council, or the commission described in section 101 (a)(21)(A), if the State has such a commission, and councils that address the needs of specific disability populations and issues under other Federal law;
- (4) ensure that all regularly scheduled meetings of the Statewide Independent Living Council are open to the public and sufficient advance notice is provided; and
- (5) submit to the Commissioner such periodic reports as the Commissioner may reasonably request, and keep such records, and afford such access to such records, as the Commissioner finds necessary to verify such reports.

OMB Circular A-122, Cost Principles for Non-Profit Organizations, Attachment B, and Item 17 provides:

Fund raising and investment management costs.

- (a) Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable.
- (b) Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments are unallowable.

(c) Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subparagraph B.3 of Attachment A.

**Finding:** Discussions with SILC and CIL representatives and a review of documents indicated that the SILC may be using federal funds to conduct activities beyond the duties authorized by section 705(c) of the Act. Federal funds must be used by the SILC only to fulfill its federal duties listed in section 705 of the Act. Specifically, although SILC records have not been tracking the funding source of expenditures, the SILC appears to be using its federal funds to engage in resource development activities in order to raise funds to help support an annual IL conference. Because fundraising activities are not an allowable cost, the SILC may not use its federal funds to support such activities.

The SILC has multiple sources of non-federal funding that may, if appropriately allocated and tracked separately from its federal funding, support these activities. However, the SILC currently lacks financial management systems necessary to document that sources other than Title VII, Part B funds are funding these activities.

**Agency Response:** IDRS will work in consultation with RSA and SILC to revise the use of Part B funds so that council practices are consistent with federal requirements as stated above.

**Corrective Action 1:** The SILC may not use its federal funds to support activities beyond those authorized by section 705 of the Act. In particular, the SILC may not use federal funds to engage in fund raising activities. If the SILC wants to use non-federal funds to engage in activities beyond its section 705 activities, including fund raising, the SILC must ensure that it uses fiscal control and accounting procedures sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes, including section 705 of the Act and the OMB Cost Circular A-122. See 34 CFR 80.20(a)(2). The Education Department General Administrative Regulations (EDGAR) at 34 CFR 80.20(b) describes the standards for financial management systems that a state's sub grantees, like the SILC, must meet.

**Technical Assistance:** IDRS may request TA.

## 2. Administration of Part B Funds

**Legal Standard:** Section 704(c) of the Act, Designation of State Unit

The plan shall designate the designated State Unit of such State as the agency that, on behalf of the State, shall-

(1) receive, account for, and disburse funds received by the State under this chapter based on the plan . . . .

**Finding:** Included in the part B funds the DSU allocates to the SILC to carry out its functions under section 705, are funds that the SILC uses for capacity development efforts of the

independent living community. While such capacity development activities may be supported by part B funds under section 713(4) of the Act, it is the DSU that must actually disburse the funds and make the decisions as to how the funds will be spent and to whom the funding will go, consistent with the State Plan.

As noted above in Compliance Finding 1, the SILC may use its part B funding only to perform its functions under section 705. The SILC's utilization of these particular part B funds is beyond providing input to the DSU and includes full administration of the capacity building program by the SILC, including contracting with service providers. These are activities that are beyond the SILC's section 705 duties. Under section 704(c) of the Act, it is the DSU, not the SILC that must "receive, account for and disburse" Part B funds for capacity building activities.

**Agency Response:** IDRS will work in consultation with RSA and SILC to revise the use of Part B funds so that council practices are consistent with federal requirements as stated above.

**Corrective Action 2:** The DSU must cease providing part B funds to the SILC to administer the capacity development efforts of the independent living community. The DSU must ensure that it receives, accounts for, and disburses all Part B funds, except those that are part of the SILC's resource plan under section 705(e) and that the SILC uses to fulfill its duties listed in section 705. The goals and related activities of the capacity development efforts may still continue in accordance with the SPIL as long as the DSU administers the funding for these activities using SILC input in the process.

**Technical Assistance:** IDRS may request TA.

## CHAPTER 5: INDEPENDENT LIVING FOR OLDER INDIVIDUALS WHO ARE BLIND PROGRAM

---

### Agency Information and Performance

In FY 2007, IDRS' OIB program served 2,561 individuals either directly or through grants or contracts with other service providers. Chapter 2 funds provided for the provision of services were spent in the following manner: 50 percent (\$317,611.78) of services and resources went to adaptive aids, devices or equipment; training accounted for 35 percent (\$224,092.25); and other services comprised the remaining 15 percent (\$93,318.69).

**Table 5.1: OIB Program Highlights for IDRS for FY 2006 and FY 2007**

Data Elements	2006	2007
Expenditures: Title VII, Chapter 2	1,257,414	1,185,314
Expenditures: Total (including Chapter 2)	1,411,309	1,355,814
Performance: Total Older Individuals who are Blind Served	2,246	2,561
Staffing: Total FTEs	35.85	35.85
Staffing: Total FTEs with Disabilities	16.25	16.25

### OIB Program Administration and Service Delivery

Forty-two percent of consumers are between the ages of 80 and 89. Eighty-one percent of consumers are white. Ninety-one percent of consumers are legally blind or have a severe vision impairment. Fifty-five percent were diagnosed less than six years ago, although 17 percent did not report when vision loss began. Seventy-five percent of consumers live at a private residence (alone or with supports) while 54 percent live alone.

IDRS OIB maintains 20 contractors whose services are defined by levels I-V with each proceeding level requiring more capacity as well as receiving increased funding:

- Level I: \$ 20,000
- Level II: \$ 40,000
- Level III: \$ 60,000
- Level IV: \$ 80,000
- Level V: \$100,000

Skills required in the varying tiers range from Level I, which includes information and referral, to Level V, which includes a variety skills training and in-home accommodations.

## Personnel

IDRS OIB employs 35.85 FTEs comprised in the following manner:

- 5.5 administrative staff: 2.5 state agency staff and three contractors;
- 22.95 direct service staff: 5.95 from the state agency and 17 contractors;
- 7.4 support staff: 3.4 from the state agency and four contractors; and
- One volunteer comprising 0.65 FTE.

## Data Management

The IDRS OIB Unit receives quarterly programmatic reports from contractors. These reports are monitored for compliance with existing contracts. Variations from expected levels may lead to TA efforts. Continued difficulties may impact future contracts.

## Fiscal Management

IDRS OIB Unit staff receive monthly fiscal reports from contractors. These reports are reviewed to assure they comport with expenses identified in contracts. Variations over the expected amount are denied for payment unless proper justification is provided.

Justifications are possible, especially in the case of one-time expenses. IDRS OIB staff will follow up to assure the CILs stays within yearly totals. Continued variations in fiscal reports may also impact future contracts.

## Quality Assurance

Project officers review quarterly reports and assess for overall compliance with requirements. This may inform action with the specific contractor as well as system wide training or changes to protocol. The project officer will then meet with the provider to provide follow up and training.

Case reviews occur periodically and include reviews of intake information, justification for services, service plan, and rationale for closure found in customer files.

IDRS OIB surveys consumers of program services within 90 days of each contract completion. This survey covers a minimum 15 percent of consumers and addresses customer satisfaction with consumers who received services.

IDRS OIB also maintains an advisory committee known as the Older Blind Committee. This committee enhances quality assurance efforts and will be discussed more fully in the promising practices section below.



## Planning

OIB utilizes data generated from above mentioned data and fiscal processes to identify items for ongoing planning. The OIB administrator participates in agency wide planning efforts because he is an Assistant Bureau Chief in the Bureau of Blind Services.

### **Promising OIB Program Practices Identified by IDRS and Stakeholders During the Review Process**

RSA's review process solicited input from IDRS and stakeholders about promising practices. The following promising practices were identified:

#### **1. Older Blind Committee Involvement**

This committee provides the following functions:

- designs curriculum for service providers;
- conducts periodic reviews of current curriculum and provides guidance on the most current techniques for service provision; and
- conducts competency assessments for new staff as well as three-year follow-up assessments on all current staff.

These functions provide IDRS services through an external source that links services to the community, helps IDRS stay informed, and acts as a quality assurance mechanism.

### **OIB Program Technical Assistance Provided to IDRS During the Review Process**

RSA provided OIB program TA to IDRS during the review process regarding:

- potential roles of OIB staff in SILC activities; and
- methods to communicate with RSA.

### **Observations of IDRS and Its Stakeholders about the Performance of the OIB Program**

RSA solicited input from IDRS and a wide range of its stakeholders about the performance of the VR and SE programs. The IDRS and its stakeholders shared the following observations:

- the quality of services is quality;
- there is a need for more staff; and

- the aging population will dramatically increase service demands.

RSA discussed the observations of its stakeholders with IDRS and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

## **OIB Program Performance Observations and RSA Recommendations**

RSA identified the following performance observations and made recommendations to IDRS about those observations. IDRS responded to each of the recommendations and in those instances when RSA and IDRS agreed upon a recommendation, RSA and IDRS identified the TA that RSA would provide to IDRS to successfully implement the recommendation.

### **1. Fiscal Accountability**

**Observation:** Both OIB and the IDRS IL programs require contractors to submit monthly fiscal reports that reflect re-imbusement amounts stipulated in their specific contract.

- Variations from contract amounts are addressed with the contractors and must be resolved before payment can occur.
- Amounts under or over the expected amount may, depending on rationale, be reimbursed (e.g., one-time cost for a year-long expense).
- Review the fiscal report may lead to TA.
- Other than periodic on-site reviews there is no time when contractors must provide source documentation to support information reported for any specific line item.
- On-site reviews are periodic and a contractor may not be reviewed for two years or more.

**Recommendation 1:** RSA recommends that IDRS periodically require contractors to submit backup documentation for sections of their invoices.

**Agency Response:** IDRS will review documentation requirements for IL and OIB providers.

**Technical Assistance:** IDRS does not request TA.

## **CHAPTER 6: PROGRESS ON ISSUES RAISED IN PREVIOUS REVIEWS OF IDRS**

---

As a result of the RSA review conducted with IDRS in FY 2007-2008, the agency developed a Corrective Action Plan. In addition to the Corrective Action Plan, IDRS was subject to a Program Improvement Plan (PIP) in accordance with 34 CFR 361.82 (b), because IDRS did not meet Performance Indicators 1.1, 1.2, and 1.5 for FY 2005. A summary of the progress that IDRS has made on the Corrective Action Plan and PIP are described below.

### Corrective Action Plan

Through the implementation of its Corrective Action Plan, IDRS has successfully resolved compliance findings related to the following topics:

- Eligibility – Residence Requirement;
- Timeliness – Standards for Establishing and Implementing Prompt Handling of Referrals;
- Timeliness – Development of IPE;
- Substantiality of Services – Finalization of Definition;
- Provision of Services over an Extended Period of Time for Determining Significance of Disability;
- Employment Outcomes – Employment Maintained;
- Substantiality of Services-Development of the IPE;
- Employment Outcomes – Consistency with IPE;
- Employment Outcomes - Requirements for Closing the Record of Services of an Individual who has Achieved an Employment Outcome;
- Written Policies Governing the Provision of Services for Individuals with Disabilities- Nature and Scope of Services; and
- Third-Party Cooperative Arrangements and Statewideness.

Statewide case reviews have substantiated 90 percent compliance or greater in the following areas:

- maintenance of employment outcome for a minimum period of 90 days, prior to case closure;
- development of IPE within 90 days of eligibility determination;
- employment outcome achieved consistent with employment goal on the IPE; and
- individual satisfaction with the employment outcome achieved.

IDRS has not successfully resolved compliance findings related to the following topics and continues its efforts to resolve the following compliance findings:

**1. Timeliness – Standards for Establishing and Implementing Prompt Handling of Referrals and Applications:** IDRS issued a policy directive related to this issue. IDRS has submitted the policy change to the Illinois Administrative Code and anticipates implementation of rule in FY 2009.

**Status:** IDRS conducted a statewide review of 250 cases. The data from the statewide compliance review found that 84 percent of cases had an application completed within 30 days of the referral date. The compliance review data demonstrated 83 percent of the cases reviewed were determined eligible within 60 days of the application date, excluding cases where an extension was filed. IDRS continues to monitor the performance and compliance with agency timelines for case movement from referral to application and application to eligibility.

**2. Substantiality of Services – Development of the Individualized Plan for Employment:** IDRS has provided training on the utilization of assessments to determine employment goals, services, and supports needed. IDRS has provided training to counselors and issued explanatory guidance to staff.

**Status:** The statewide compliance review of 250 cases found that less than 70 percent of the cases had an acceptable, as defined by IDRS, assessment summary in the case record. IDRS implemented a process of providing feedback to administrators, supervisors, and counselors to identify situations where targeted training is needed.

## Program Improvement Plan

Through the implementation of its PIP, IDRS has successfully met the performance standards for Performance Indicator 1.2 Total Number of individuals who exit the VR Program after receiving services, the percentage of individuals who are determined to have achieved an employment outcome.

Performance Indicator 1.2 – Percent of Employment Outcomes After Services

This indicator looks at the ratio of employment outcomes to the number of individuals served. The RSA minimum performance level is 55.80 percent. IDRS passed the requirements of Indicator 1.2 for FY 2006 by assisting 59.31 percent of all individuals exiting the VR program, after receiving VR services, to achieve employment outcomes. IDRS reported that it also passed Indicator 1.2 for FY 2007, with 61.8 percent. IDRS has achieved its goal of increasing its rehabilitation rate to 60.7 percent by the end of FY 2007.

**PIP Goal:** IDRS will increase the rehabilitation rate to 60.7 percent by the end of FY 2007.

**FY 2006 Goal:** 57.5 percent

---

**FY 2006 Actual:** 59.3 percent

**FY 2007 Goal:** Minimum of 60.7 percent

---

**FY 2007 Actual:** 61.8 percent

**Status:** IDRS achieved the goal.

IDRS has not met the performance standards for the following indicators:

#### **Performance Indicator 1.1 – Change in the Number of Employment Outcomes**

This indicator is the difference between the number of individuals exiting the VR program who achieved an employment outcome during the current performance period and the number of individuals exiting the VR program who achieved an employment outcome during the previous performance period. Required performance level: IDRS must equal or exceed previous performance period. IDRS failed to meet the requirements of Indicator 1.1 since FY 2003. IDRS developed the PIP goal to increase the number of employment outcomes by 250 individuals (4.2 percent) over the next two fiscal years. While IDRS increased the number of individuals achieving employment outcomes by 188 individuals from FY 2006 to FY 2007, the agency did not achieve its goal.

**PIP Goal:** IDRS will increase the number of employment outcomes by 250 outcomes (4.2 percent) over the next two fiscal years.

**FY 2006 Goal:** 6,024 employment outcomes

---

**FY 2006 Actual:** 5,415 employment outcomes

**FY 2007 Goal:** 6,156 employment outcomes

---

**FY 2007 Actual:** 5,603 employment outcomes

**Status:** IDRS did not achieve its goal.

#### **Performance Indicator 1.5 – Earnings Ratio**

This indicator is the ratio of the average hourly earnings of all individuals in competitive employment to the average hourly earnings of all employed individuals in the state. The RSA minimum performance level is 0.52. IDRS developed the goal to increase its earnings ratio by five percent over the next two fiscal years. IDRS reported 0.44 earnings ratio for FY 2006 and 0.42 earnings ratio FY 2007.

IDRS has not achieved its goal and failed Indicator 1.5 for FY 2007. It is important to note that the state hourly wage in Illinois during FY 2006 was \$21.68, which is above the national average of \$18.87 for FY 2006. Additionally, the average hourly wage earned by individuals receiving IDRS services has increased since FY 2002. Services for the Deaf and Hard of Hearing reported in FY 2006 that 2900 individuals were served, 560 obtained competitive jobs, and the average wage was \$11.40 per hour. Persons served by the Bureau of Blind Services in the Chicago metro area earned an average of \$13.65 per hour in FY 2007.

**PIP Goal:** IDRS will increase its earnings ration by five percent over the next two fiscal years.

**FY 2006 Goal:** 0.45 earnings ratio

---

**FY 2006 Actual:** 0.437

**FY 2007 Goal:** 0.47 earnings ratio

---

**FY 2007 Actual:** 0.416

**Status:** IDRS did not achieve its goal.

## APPENDIX: SOURCES OF DATA

---

### VR and SE Program Highlights

- Total funds expended on VR and SE – RSA-2 line I.4
- Individuals whose cases were closed with employment outcomes - RSA-113 line D1
- Individuals whose cases were closed without employment outcomes - RSA-113 line D2
- Total number of individuals whose cases were closed after receiving services – RSA-113 line D1+D2
- Employment rate – RSA-113 line D1 divided by sum of RSA-113 line D1+D2, multiplied by 100
- Individuals whose cases were closed with SE outcomes – Total number of individuals whose employment status at closure (record position 161) = 7 in the RSA-911 report
- New applicants per million state population – RSA-113 line A2 divided by the result of the estimated state population divided by 1 million. The estimated state population is found on the following website: <http://www.census.gov/popest/states/NST-ann-est.html>
- Average cost per employment outcome – Sum of individuals' cost of purchased services from the RSA-911 (record position 104-109) for individuals who achieved an employment outcome (record position 198 =3) divided by the total number of these individuals
- Average cost per unsuccessful employment outcome – Sum of individuals' cost of purchased services from the RSA-911 (record position 104-109) for individuals who did not achieve an employment outcome (record position 198 =4) divided by the total number of these individuals
- Average hourly earnings for competitive employment outcomes - Sum of individuals' weekly earnings at closure (record position 163-166) divided by the total hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure > 0, where the type of closure (record position 198) = 3, and where competitive employment (record position 162) = 1
- Average state hourly earnings – Using the most relevant available data from the Bureau of Labor Statistics Report (<http://www.bls.gov>), state average annual earnings divided by 2,080 hours

- Percent average hourly earnings for competitive employment outcomes to state average hourly earnings – Average hourly earnings for competitive employment outcomes (above) divided by the Average state hourly earnings (above) multiplied by 100
- Average hours worked per week for competitive employment outcomes - Average hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure (record position 163-166) > 0 and where the type of closure (record position 198) = 3 and competitive employment (record position 162) = 1
- Percent of transition age served to total served – Total number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) is 3 or 4 divided by all individuals of any age whose type of closure (record position 198) is 3 or 4
- Employment rate for transition population served – Total number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) = 3 divided by the number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) is 3 or 4 multiplied, the result of which is multiplied by 100
- Average time between application and closure (in months) for individuals with competitive employment outcomes - Average of individuals date of closure (record position 201-208) minus date of application (record position 15-22) in months where type of closure (record position 198) = 3 and competitive employment (record position 162) =1

### **IL Program Highlights** (From RSA 704 report)

- Funding: Title VII, Chapter 1, Part B - Subpart I, Administrative Data, Section A, Item 1(A) Funding: Total Resources (including Part B funds) - Subpart I, Administrative Data, Section A, Item 4
- Performance: Total Served - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section A (3)
- Performance: Total Consumer Service Records Closed - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B (6)
- Performance: Cases Closed - Completed All Goals - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B (4)
- Performance: Total Goals Set - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L) for the column “Goals Set”
- Performance: Total Goals Met - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L) for the column “Goals Achieved”
- Performance: Total Accesses Achieved - Subpart III, Section B, Item 2, sum of (A) + (B) + (C) for the column “# of Consumers Achieving Access”
- Staffing: Total FTEs - Subpart I, Section F, sum of Item 2 for the column “Total Number of FTEs”



- Staffing: Total FTEs with Disabilities - Subpart I, Section F, sum of Item 2 for the column “Total Number of FTEs with Disabilities”

**ILOB Program Highlights** (From RSA 7-OB Form)

- Expenditures: Title VII, Chapter 2 - Part I-Sources and Amounts of Funding, (A)(1)
- Expenditures: Total (including Chapter 2) - Part I-Sources and Amounts of Funding, (A)(6)
- Performance: Total Older Individuals who are Blind Served - Part III-Data on Individuals Served During This Fiscal Year, (B)-Gender, sum of (1) + (2)
- Staffing: Total FTEs - Part II-Staffing, sum of (1) + (2) + (3) + (4) for the column “Total FTEs: State Agency + Contactors”
- Staffing: Total FTEs with Disabilities - Part II-Staffing, sum of (1) + (2) + (3) + (4) for the column “FTEs with Disability”