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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 Nevada (NV):

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

In NV, Department of Employment, Training and Rehabilitation – the Rehabilitation Division (the Rehabilitation Division) is 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 NV 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, compliance findings, and areas for improvement;
- provided technical assistance (TA) during the review process;
- recommended that the Rehabilitation Division undertake specific actions to improve its performance; and
- in collaboration with the Rehabilitation Division identified TA that would be helpful to improve its performance or correct compliance findings.

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

The Rehabilitation Division

RSA NV team identified following strengths and challenges regarding the performance of the Rehabilitation Division.
Strengths:

- NV receives additional state funds through the Office of Disability Services (ODS) that supplement the IL Part B and OIB programs for the provision of IL services.
- NV increased its employment outcomes from 881 in FY 2003 to 1,161 in FY 2007.
- The employment outcomes for transition age population increased from 185 in FY 2004 to 219 in FY 2006.
- The Rehabilitation Division has a collaborative working relationship with the DSA, SRC, ODS, the SILC, centers for IL (CILs), and other VR and IL service providers.
- There is a strong, supportive relationship between the Rehabilitation Division and the DSA. The DSA’s Financial Management Office partners with the Rehabilitation Division to ensure that available department resources are identified and made available for State VR Services Program match.
- Monthly financial planning meetings take place between the Rehabilitation Division and DSA staff to review spending patterns, budget reports, funding surpluses and actual and anticipated funding shortfalls.
- The Rehabilitation Division meets monthly to review the status/performance of open contracts and new contracts that are being executed.

Challenges:

- NV should deliver VR services to a transient state population, especially to the transition-age youths in Clark County, one of the largest school districts in the nation and has one of the highest dropout rates.
- NV should improve outreach efforts to individuals with disabilities in the rural areas.
- NV should maintain the current level of service provision in light of diminishing state resources.
- NV should improve the internal controls related to the inter-local agreement with ODS for IL services.
- NV should review the terms of the inter-local agreement with ODS in regards to performance monitoring and evaluation, specific roles and responsibilities relating to the SILC, and the use of Part B funds by subcontractors to conduct fundraising activities.
• NV should develop policies and procedures that are specific to the administration of the OIB program.

• NV should provide adequate opportunities for individuals with disabilities and stakeholders to provide input on the OIB program.

• Due to budgetary constraint, the Rehabilitation Division does not have staff dedicated solely to the OIB program but rather with shared responsibilities in other programs, including VR. As a result, effective administration is challenged because the Rehabilitation Division has not clearly delineated staff responsibilities for the OIB program.

• The Rehabilitation Division should develop and implement strategies that result in increasing the non-federal resources. The strategies are required to fully utilize the federal funds made available to the NV to provide services to eligible consumers of the VR program. The $2,296,474 in federal funds returned by Nevada in FY 2007 could have been matched with a non-federal investment of $621,536, resulting in an additional $2,918,010 being available to serve eligible VR program individuals.
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 SE 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 its 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, Chapter 1, Part B; and
- the OIB program, established under Title VII, Chapter 2.

NV Administration of the VR, SE, IL, and OIB Programs

In NV, the Department of Employment, Training and Rehabilitation (DETR) serves as the designated state agency (DSA) for the Rehabilitation Division, the designated state unit (DSU). The Rehabilitation Division is responsible for the administration of the VR services program, the SE Part B program under Title VI, the IL Part B program under Title VII, Chapter 1, and the OIB program under Title VII, Chapter 2. Effective July 2, 2008, the Rehabilitation Division had a change in key management when the VR administrator assumed a new position in DETR and one of the deputy administrators assumed the position.
For the four programs listed above, this report describes RSA’s review of the Rehabilitation Division, provides information on the agency’s performance, identifies performance and compliance issues, and addresses recommendations to each of the observations identified during the review.

**Appreciation**

RSA wishes to express appreciation to the representatives of DETR, the Rehabilitation Division, the SRC, the SILC, and the stakeholders who assisted the RSA NV monitoring team in the review of the Rehabilitation Division.
Data Used During the Review

RSA’s review of the Rehabilitation Division began in the fall of 2007 and ended in the summer of 2008. RSA’s data collections were finalized and available at different times throughout the year. During this review, the most recent data available for RSA and the state agency to use were from the FY 2006 and FY 2007 collections. As a result, this report cites data from FY 2006 and FY 2007 in addition to the trend data since FY 2002.

Review Process Activities

The RSA NV state team:

- gathered and reviewed information regarding each program’s performance;
- identified a wide range of stakeholders from across all programs 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 compliance findings and areas for improvement;
- provided TA during the review process;
- recommended that the Rehabilitation Division undertake specific actions to improve its performance; and
- in collaboration with the Rehabilitation Division, identified TA that would be helpful to improve its performance or correct compliance findings.

RSA NV State Team Review Participants

The RSA NV state team included representatives from each of RSA’s State Monitoring and Program Improvement’s five functional units. It consisted of RSA’s state liaison and the team leader to NV, Jean Yan (Data Collection and Analysis Unit) and the following RSA NV team members: Sue Rankin-White (TA unit), Terry Martin (VR Unit), Craig McManus (VR Unit), Regina Luster (Fiscal Unit), and Elizabeth Akinola (IL Unit).

Information Gathering

During FY 2008, RSA began its review of the Rehabilitation Division by analyzing information including, but was not limited to, RSA’s various data, the Rehabilitation Division’s VR and IL State Plans, Program Performance Report, policies and procedures, inter-local agreements, and
the SRC’s Annual Report. After completing its internal review, the RSA NV team carried out the following information gathering activities with the Rehabilitation Division and stakeholders to gain a greater understanding of the Rehabilitation Division’s strengths and challenges:

- conducted two teleconferences with VR and IL stakeholders;
- conducted monthly teleconferences with the Rehabilitation Division management beginning in December 2007;
- conducted a series of teleconferences with the Rehabilitation Division IL program staff, SILC members and administrative staff, and OIB staff;
- conducted an on-site monitoring visit from February 25 through February 29, 2008 and met with staff of the Rehabilitation Division, JobConnects, community rehabilitation programs (CRPs), service providers, the Client Assistance Program, and members of the SILC and SRC;
- conducted a statewide video conference with the Rehabilitation Division’s IL and OIB stakeholders during the week of the on-site visit to learn about the Rehabilitation Division’s performance, provide information about the Rehabilitation Division’s monitoring goals, and solicit their input on the goals; and
- conducted a video conference with the Rehabilitation Division management team to discuss its program performance.
CHAPTER 2: THE REHABILITATION DIVISION VR AND SE PROGRAMS

Agency Information and Performance

In FY 2007, the Rehabilitation Division served 3,437 individuals. Of those individuals, 1,161 were closed with an employment outcome and 659 were closed without an employment outcome. Of the 1,161 individuals who were successfully rehabilitated, 118 specified SE as the employment goal in their individualized plan for employment (IPE) but only six of them were reported a SE outcome at closure. From FY 2003 to 2007, the Rehabilitation Division’s employment outcomes increased by 31.8 percent, but the number of applicants decreased by 3.4 percent, and the number of individuals served decreased by 10.4 percent. Table 2.1 below highlights trends of the NV VR program from FY 2003 to 2007.

Table 2.1
VR and SE Program Highlights for the Disability Division for FY 2003 through 2007

<table>
<thead>
<tr>
<th>Data Elements</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total funds expended on VR and SE</td>
<td>$16,402,998</td>
<td>$18,247,912</td>
<td>$18,382,261</td>
<td>$20,900,595</td>
<td>$21,109,089</td>
</tr>
<tr>
<td>Individuals' cases closed with employment outcomes</td>
<td>881</td>
<td>968</td>
<td>1,032</td>
<td>1,149</td>
<td>1,161</td>
</tr>
<tr>
<td>Individuals' cases closed without employment outcomes</td>
<td>826</td>
<td>774</td>
<td>737</td>
<td>684</td>
<td>659</td>
</tr>
<tr>
<td>Total individuals' cases closed after receiving services</td>
<td>1,707</td>
<td>1,742</td>
<td>1,769</td>
<td>1,833</td>
<td>1,820</td>
</tr>
<tr>
<td>Employment rate</td>
<td>51.61%</td>
<td>55.57%</td>
<td>58.34%</td>
<td>62.68%</td>
<td>63.79%</td>
</tr>
<tr>
<td>Individuals whose cases were closed with supported employment outcomes</td>
<td>94</td>
<td>225</td>
<td>235</td>
<td>228</td>
<td>193</td>
</tr>
<tr>
<td>New applicants per million state population</td>
<td>1,390.63</td>
<td>1,284.55</td>
<td>1,195.44</td>
<td>1,318.00</td>
<td>1,314.01</td>
</tr>
<tr>
<td>Average cost per employment outcome</td>
<td>$2,843.98</td>
<td>$3,175.60</td>
<td>$2,779.31</td>
<td>$3,579.57</td>
<td>$3,664.10</td>
</tr>
<tr>
<td>Average cost per unsuccessful employment outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average hourly earnings for competitive employment outcomes</td>
<td>$9.62</td>
<td>$9.72</td>
<td>$9.99</td>
<td>$10.75</td>
<td>$11.00</td>
</tr>
<tr>
<td>Average state hourly earnings</td>
<td>$16.99</td>
<td>$17.53</td>
<td>$18.58</td>
<td>$18.99</td>
<td>$19.91</td>
</tr>
<tr>
<td>Percent average hourly earnings for competitive employment outcomes to state average hourly earnings</td>
<td>56.62%</td>
<td>55.45%</td>
<td>53.77%</td>
<td>56.61%</td>
<td>55.25%</td>
</tr>
<tr>
<td>Average hours worked per week for competitive employment outcomes</td>
<td>34.29</td>
<td>34.3</td>
<td>33.77</td>
<td>34.11</td>
<td>33.38</td>
</tr>
<tr>
<td>Percent of transition age served to total served</td>
<td>19.86%</td>
<td>21.18%</td>
<td>19.28%</td>
<td>18.00%</td>
<td>18.74%</td>
</tr>
<tr>
<td>Employment rate for transition population served</td>
<td>46.02%</td>
<td>49.86%</td>
<td>59.53%</td>
<td>66.36%</td>
<td>58.65%</td>
</tr>
<tr>
<td>Average months between application and closure for individuals with competitive employment outcomes</td>
<td>16.7</td>
<td>17.7</td>
<td>16.6</td>
<td>14.6</td>
<td>13.3</td>
</tr>
</tbody>
</table>
VR and SE Service Delivery

The Rehabilitation Division has staff located at 15 offices throughout NV. Ten of the 15 offices are housed within JobConnect centers. The Rehabilitation Division staff provides VR counseling, evaluation, placement, and other VR services.

The agency purchases job development and placement services from 61 approved job developers. The job developers are available to the VR counselors on a performance-based fee schedule.

The Rehabilitation Division has contractual arrangements with organizations to provide community-based assessments; situational assessments; vocational evaluations; personal adjustment evaluations; work adjustments; and job coaching. It also has contractual arrangements to provide job-seeking skills training and conduct job clubs. In addition, the contractors assist individuals in securing work documents in certain industries and occupations, including a sheriff’s card (background clearance), a health card, and a card for techniques of alcohol management (TAM card).

The Rehabilitation Division had a contract with Easter Seals of Southern Nevada, Transition Connect, to provide transition coordinators to help transition-age youths in applying for VR services and the development of the IPE. The agency developed a request for proposal to implement similar contracts throughout the state. Two new contracts are currently in the State’s approval process. It is anticipated that the new contracts will go into effect statewide on October 1, 2008.

The Rehabilitation Division has memoranda of understanding with developmental disabilities regional centers and adult mental health services in the state to provide extended support services for individuals who receive SE services.

Personnel

As of February 22, 2008, the Rehabilitation Division had a field staff of approximately 118 VR counselors, vocational evaluators, rehabilitation technicians, orientation and mobility instructors, and other support staff. There were approximately 26 individuals in administration and support positions in the state office.

Prior to 2005, the Rehabilitation Division experienced high turnover rates for VR counselors. In 1998, the Rehabilitation Division adopted the standard for qualified VR counselors as eligible to be a Certified Rehabilitation Counselor. To implement the new standard and reduce the turnover rate, the Rehabilitation Division management worked closely with the state’s personnel office to revise the qualifications and increase the salary for the VR counselor position. The Rehabilitation Division also worked closely with rehabilitation counselor education programs in California, Arizona, and Washington to ensure sufficient staffing under the established standard. In recent years, the Rehabilitation Division has not had a full complement of VR counselors as a result of a state government imposed hiring freeze. Prior to the on site, the Rehabilitation Division informed RSA that the most recent freeze was lifted, and the Rehabilitation Division
was in the process of filling seven VR counselor positions. However, subsequent disruptions in staffing have resulted in the Rehabilitation Division’s decision to use outside contractors to conduct functions of the VR counselor, other than the non-delegable functions, beginning in July 2008. At the point the monitoring report was finalized, the Rehabilitation Division indicated that the NV legislature cut five positions in BVR/BSBVI, effective August 2008. The cuts included a combination of counselor, evaluator, and technician positions.

Data Management

The Rehabilitation Division’s current case management system was implemented in March 2004 and has been updated frequently by the suggestions of the system users and information technology staff’s debugging results. The system also has built-in functions to remind counselors of critical due dates and to ensure that data entered are within a reasonable range. The system is standalone from other disability-related state agencies such as department of education or social security administration.

Quality Assurance (QA)

The Rehabilitation Division has a QA process for case management based on a systematic review of service records. Service records are reviewed at the counselor, district, and state level to monitor case management practices. Instrumentation is used to conduct the biannual review of cases. Supervisors also review cases on a weekly basis with each VR counselor. The QA process provides for correction of individual performance error, as well as identification of systemic issues. Findings derived from the QA process are used in the development of training programs.

Planning

The Rehabilitation Division has a strategic plan in place, and participates in the formal planning processes of the DSA. This process results in the development and refinement of goals and strategies aligned with the goals of the DSA. The Rehabilitation Division conducts strategic planning and develops goals and strategies collaboratively with the SRC. The Rehabilitation Division management team also participates in biannual training on the strategic planning processes provided by the NV Department of Administration Budget and Planning Division.

VR and SE Programs TA Provided to the Rehabilitation Division During the Review Process

RSA provided the following VR and SE program TA to the Rehabilitation Division during the review process regarding:

- the RSA management information system;
- data input accuracy for SE services and closures; and
- the non-delegable functions of a VR counselor.
Observations of the Rehabilitation Division and Its Stakeholders about the Performance of the VR and SE Programs

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

- The present economic situation and proposed decrease in the state budget will have a significant impact on the VR program.
- NV has a very transient population.
- The agency experiences difficulties reaching the population of individuals with disabilities in rural areas to inform them about the availability of VR services.

VR and SE Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to the Rehabilitation Division about those observations. The Rehabilitation Division responded to each of the recommendations. In addition to providing responses, the Rehabilitation Division also identified one area in which TA would be of assistance to successfully implement the recommendation.

1. New Applicants

Observation: The population of the state of NV in FY 2007 was estimated at 2,565,382. The population of NV has increased by approximately 28 percent since 2000 (US Census Bureau, Public Information Office, January 16, 2008). Approximately 70 percent of the population resides in the Las Vegas metropolitan area and the population is described as highly transient population.

- NV experienced a significant increase in the state population of approximately 28 percent from FY 2000 to FY 2007, while the number of new applicants per million state population for the VR program decreased by 5.4 percent between 2003 and 2007.
- In FY 2003, the Rehabilitation Division had 1,391 applicants per million people based upon a state population of 2,241,154.
- In FY 2007, the Rehabilitation Division had 1,316 applicants per million people based upon a state population of 2,565,382.
- From FY 2003 through FY 2007, the number of individuals served decreased from 3,836 to 3,437, representing a decrease of 10.4 percent (see Table 2.2).
Table 2.2
State Population and Individuals Served for the Rehabilitation Division
For FY 2003-2007

<table>
<thead>
<tr>
<th>Case status information</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>change from 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>NV state population*</td>
<td>2,241,154</td>
<td>2,334,771</td>
<td>2,414,807</td>
<td>2,495,529</td>
<td>2,565,382</td>
<td>14.8%</td>
</tr>
<tr>
<td>New applicants per million state population</td>
<td>1,391</td>
<td>1,285</td>
<td>1,195</td>
<td>1,318</td>
<td>1,316</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Customers served for the FY**</td>
<td>3,836</td>
<td>3,734</td>
<td>3,600</td>
<td>3,569</td>
<td>3,437</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Cases closed for the FY</td>
<td>3,169</td>
<td>3,208</td>
<td>3,339</td>
<td>3,341</td>
<td>3,329</td>
<td>5.5%</td>
</tr>
<tr>
<td>Employment outcomes for the FY</td>
<td>881</td>
<td>968</td>
<td>1,032</td>
<td>1,149</td>
<td>1,161</td>
<td>31.8%</td>
</tr>
<tr>
<td>Number of counselors</td>
<td>34</td>
<td>32</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>35.3%</td>
</tr>
</tbody>
</table>

* Population data are estimates.
Data Sources for population:

** The numbers for the FY are the sum of (1) data beginning of the FY and (2) data during the FY.

** Recommendation 1:** Develop goals and strategies to increase the number of new applicants coming into the VR program proportional to the state population.

**Agency Response:** The Rehabilitation Division responded to RSA’s recommendation by identifying the following strategies to increase the number of new applicants:

- monitor NV’s population statistics;
- increase the number of new intakes per counselor in concert with NV’s population statistics, and monitor on a monthly basis;
- increase outreach efforts with partner agencies, and develop new partners; and
- increase the number of referrals from the Transition Connect program and school districts.

**TA:** The Rehabilitation Division does not request TA.

2. Impact of VR Counselor Turnover
Observation: The Rehabilitation Division experienced a period of high turnover in the position of VR counselor prior to FY 2005. To address the issue of turnover in the VR counselor position, the Rehabilitation Division developed a service delivery structure that relies on contractual arrangements with external service providers for the purchase of services. The arrangements constitute an essential component of the Rehabilitation Division’s service delivery system, especially with respect to assessment, job development and placement, and service to transition-age youths. This reliance on external service providers directly impacted the role of the Rehabilitation Division’s internal VR counselors.

- Prior to FY 2005, the Rehabilitation Division experienced a turnover rate of approximately 30 percent.

- In 1998, the Rehabilitation Division adopted the national standard for qualified VR counselors established by the Commission on Counselor Certification. To implement the new standard and reduce the turnover rate, the Rehabilitation Division management worked closely with the state’s personnel office to revise the qualifications and increase the salary for the VR counselor position.

- Following implementation of the new standard and revised position qualifications, the Rehabilitation Division has a total of 46 VR counselor positions available to provide services.

- Due to the high vacancy rate for VR counselors and hiring freezes, the Rehabilitation Division utilizes contract staff to perform key functions of the VR process including assessment, job development, and job placement. In addition, the Rehabilitation Division is in the process of developing a request for proposal for external VR counselors. These external VR counselors will conduct the functions of the VR counselor other than the non-delegable functions.

- The Rehabilitation Division has not adjusted the performance goals of internal VR counselors commensurate with the increased utilization of external service providers. Specifically, the Rehabilitation Division internal VR counselors served an average of 77 individuals in FY 2006 and 73 in FY 2007 (see Table 2.3).
Table 2.3
Average Number of Individuals Served Per Counselor for the Rehabilitation Division
For FY 2005-2007

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Change from 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average months between application and closure for individuals with successful employment outcomes</td>
<td>16.6</td>
<td>14.6</td>
<td>13.3</td>
<td>-3.3</td>
</tr>
<tr>
<td>Total individuals served</td>
<td>3,600</td>
<td>3,569</td>
<td>3,437</td>
<td>-163</td>
</tr>
<tr>
<td>Total number of counselor positions</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>0</td>
</tr>
<tr>
<td>Average number of individuals served per Counselor</td>
<td>85.7</td>
<td>77.6</td>
<td>72.4</td>
<td>-15.5</td>
</tr>
</tbody>
</table>

**Recommendation 2:** Develop performance goals for VR counselors in the area of service delivery, including increasing number of new applicants, individuals served, and employment outcomes.

**Agency Response:** The Rehabilitation Division responded to RSA’s recommendation by identifying the following strategies to maximize the performance of VR counselors:

- district managers will develop goals specific to these areas;
- communicate new goals and strategies to counseling staff;
- review and update counselor work performance standards to match new goals and strategies;
- develop an ongoing strategy for supervisors and district managers to monitor counselor outcomes, with a focus on increasing the number of applicants; and
- develop an internal training program with a focus on time management and quality employment outcomes.

**TA:** The Rehabilitation Division does not request TA.

3. Evaluation of Internal and External Service Providers

**Observation:** The Rehabilitation Division relies on the use of external contractors to provide key VR services including assessment, job development and placement. In addition, the Rehabilitation Division uses contractors to assist the DSU to provide VR services to specific populations including transitioning youths. The Rehabilitation Division’s internal VR counselors work closely with contract staff in the provision of VR services. It is necessary to
evaluate the effectiveness of both internal and external service providers in order to maximize the utilization of the Rehabilitation Division’s resources.

- Currently the Rehabilitation Division does not have a QA process to monitor and evaluate the effectiveness of internal and external VR service providers. Therefore, the Rehabilitation Division cannot evaluate the production, cost effectiveness, and efficiency of internal and external service providers.

- The average cost per employment outcome per 911 increased 28.8 percent between FY 2003 and FY 2007. The Rehabilitation Division is not able to determine the extent to which contractors contribute to the increase (see Table 2.4).

Table 2.4
Average Cost Per Employment Outcome for the Rehabilitation Division for FY 2003-2007

<table>
<thead>
<tr>
<th>Efficiency measures –</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Change from 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average cost per employment outcome per 911</td>
<td>$2,843.98</td>
<td>$3,175.60</td>
<td>$2,779.31</td>
<td>$3,579.57</td>
<td>$3,664.10</td>
<td>28.8%</td>
</tr>
<tr>
<td>Average cost per unsuccessful outcome per 911</td>
<td>$1,930.07</td>
<td>$2,516.46</td>
<td>$1,141.94</td>
<td>$2,204.09</td>
<td>$2,536.70</td>
<td>31.3%</td>
</tr>
<tr>
<td>Average cost per competitive employment outcome</td>
<td>$2,815.68</td>
<td>$3,152.32</td>
<td>$2,795.71</td>
<td>$3,583.14</td>
<td>$3,657.56</td>
<td>29.9%</td>
</tr>
</tbody>
</table>

- In FY 2007, the Rehabilitation Division expended $2,369,995 for purchase of assessment services.

- In FY 2007, the Rehabilitation Division expended $1,108,015 for the purchase of placement services.

- The Rehabilitation Division has a contractual arrangement with Accessing Services and Programs, Inc. to assist VR participants in securing work documents for certain industries and occupations including a sheriff’s card, a health card, and a TAM card. This contract has a ceiling of $230,880 per year.

- The Rehabilitation Division’s current two-year contract with Easter Seals of Southern Nevada to provide transition coordinators to assist transition-age youths in applying for VR services and the development of the individualized plan has a ceiling of $1.468 million for the two years of the contract.

- The agency’s case management system has a feature to record purchased costs of services for each individual, but the costs are recorded separately in the agency’s accounting.
system and not connected with the individual record database. As a result, the agency cannot track the costs of its service providers for each individual and evaluate their performance.

- The Rehabilitation Division designates vocational evaluators to conduct community based assessments to evaluate potential employment options.

- In addition to the Rehabilitation Division VR counselor, a VR participant can potentially be involved with multiple contract providers during the VR process including a separate contractor for assessment, job development and placement, request of required work documents, and transition services.

<table>
<thead>
<tr>
<th>Services</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Changes From 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment (Purchased Only)</td>
<td>$1,022,870</td>
<td>$1,558,704</td>
<td>$1,624,963</td>
<td>$2,024,763</td>
<td>$2,369,995</td>
<td>131.7%</td>
</tr>
<tr>
<td>Diagnosis and Treatment of Physical and Mental Impairments</td>
<td>$1,316,043</td>
<td>$1,492,517</td>
<td>$1,760,112</td>
<td>$2,077,337</td>
<td>$2,004,269</td>
<td>52.3%</td>
</tr>
<tr>
<td>Training</td>
<td>$2,094,680</td>
<td>$2,323,295</td>
<td>$1,104,012</td>
<td>$1,232,761</td>
<td>$1,157,306</td>
<td>-44.8%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$136,029</td>
<td>$189,431</td>
<td>$243,192</td>
<td>$300,407</td>
<td>$332,151</td>
<td>144.2%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$302,682</td>
<td>$298,045</td>
<td>$298,771</td>
<td>$318,387</td>
<td>$254,553</td>
<td>-15.9%</td>
</tr>
<tr>
<td>Personal Assistance Services</td>
<td>$173,792</td>
<td>$126,404</td>
<td>$123,299</td>
<td>$136,215</td>
<td>$131,141</td>
<td>24.5%</td>
</tr>
<tr>
<td>Placement (Purchased Only)*</td>
<td>$0</td>
<td>$486,695</td>
<td>$1,124,569</td>
<td>$1,000,119</td>
<td>$1,108,015</td>
<td>127.7%</td>
</tr>
<tr>
<td>All Other Services</td>
<td>$1,994,222</td>
<td>$1,065,248</td>
<td>$2,045,674</td>
<td>$2,355,503</td>
<td>$685,129</td>
<td>-65.6%</td>
</tr>
<tr>
<td>Total</td>
<td>$7,040,318</td>
<td>$7,540,339</td>
<td>$8,324,592</td>
<td>$9,445,492</td>
<td>$8,042,559</td>
<td>14.2%</td>
</tr>
</tbody>
</table>

* Change for Placement is from 2004.

**Recommendation 3:** Develop and implement QA processes to evaluate the production, effectiveness, and efficiency of internal and external VR service providers fiscally and programmatically.
Agency Response: The Rehabilitation Division responded to RSA’s recommendation by identifying the following strategies to assess production, efficiency, and effectiveness of external VR service providers:

- implement a vendor customer service satisfaction survey, and use the results to develop an external provider QA program.

- enable the connection between the VR service costs with its providers for each individual using the Group Authorizations module in the agency’s case management system. Once this is activated, it will allow the agency to write one authorization to a specific vendor, using a specific budget, for a specific category and will be tied to specific participants (Once this module has been tested and deployed to operation, the Rehabilitation Division will be able to enter, track and report on all services to groups. The group authorization will be directly tied to the participant's record in the case management system and will be present on all budget and spending reports. It will allow the agency accurately and completely reporting on the total cost of services for each participant and linking to the respective service providers. The Rehabilitation Division anticipates implementing the module by the end of this calendar year.);

- determine a tracking mechanism for job developers including success rate, and implement a plan of action to increase effectiveness and usage;

- develop a tracking mechanism for the Transition Connect program in order to monitor program effectiveness; and

- promote and utilize performance-based contracts as well as fee for service contracts.

TA: The Rehabilitation Division requests TA in developing an external VR provider QA program.

4. Supported Employment

Observation: Coding errors in the Rehabilitation Division case management system result in inaccurate data reporting for individuals receiving SE services. Coding errors are a function of system design and staff data entry issues.

- In FY 2007, the Rehabilitation Division reported 118 individuals who indicated SE as the employment goal in the IPE and achieved successful employment outcomes. However, 112 of these individuals were closed with an employment status at closure as employed without supports. Only six closures were coded as employed with supports. This occurred after resolution of the SE coding issue in 2007 between RSA and the Rehabilitation Division (see Table 2.6).
### Table 2.6

Employment Status at Closure for Successful Closures by SE Status for the Rehabilitation Division for FY 2007

<table>
<thead>
<tr>
<th>Employment Status at Closure</th>
<th>Non-SE</th>
<th>SE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed w/o support</td>
<td>1,039</td>
<td>112</td>
<td>1,151</td>
</tr>
<tr>
<td>Self-employment</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Homemaker</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Employed w/ support</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>1,043</td>
<td>118</td>
<td>1,161</td>
</tr>
</tbody>
</table>

- The agency’s case management system provides all the elements required by the RSA reports. It contains a program participant’s IPE information regarding SE. However, the system lacks the feature to verify the SE employment status at closure if an individual with a SE goal in his/her IPE achieves a successful employment outcome at closure.

- Discussions with the Rehabilitation Division field staff and on-site system demonstrations indicated that system design flaws and staff lack of understanding of data entry procedures were contributing to the inaccurate processing of case closures.

**Recommendation 4:** Improve accuracy in case management for data collection, reporting and case documentation for SE. If needed, update the field guidance for SE and provide training to field staff on the guidance and case management practices for SE.

**Agency Response:** The Rehabilitation Division responded to RSA’s recommendation by identifying the following strategies to correct data entry errors related to the provision of SE services:

- counselor training regarding data input was completed in October 2007;
- SE data are routinely validated by the case management system staff;
- proper case documentation will be validated by quarterly reviews by district managers; and
- in partnership with the SRC, the Rehabilitation Division developed the following new goal relative to SE:

  Assist individuals to transition into work by the provision of quality employment outcomes, increased retention of competitive employment, self-sufficiency through accessible and equitable services and opportunities to all participants who need SE services.
As of August 2008, an enhancement to the system was drafted and scoped out with the Rehabilitation Division’s programmer. Once implemented, the system will provide a 'pop-up' reminder to staff that reads:

According to the signed IPE, this participant has been identified as Supported Employment. Please remember to enter "Employment With Supports in Integrated Setting (SE)" in the Work Status Tab of the Employment Form.

Staff will then need to select 'OK' for this pop-up message to close.

Additionally, the Supported Employment client data have been corrected and submitted to RSA for past years.

**TA:** The Rehabilitation Division does not request TA.
CHAPTER 3: FISCAL MANAGEMENT OF THE REHABILITATION DIVISION’S VR AND SE PROGRAMS

RSA reviewed the Rehabilitation Division’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, addresses the overall fiscal performance of the agency. The data related to matching requirements are taken from the respective fiscal year’s final or latest Financial Status Report (SF-269). The carryover data are taken from the unobligated balance of federal funds portion of the fourth quarter 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 the Rehabilitation Division for FY 2003 through FY 2007

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Amount</td>
<td>12,773,854</td>
<td>12,920,230</td>
<td>13,580,711</td>
<td>16,597,632</td>
<td>15,547,425</td>
</tr>
<tr>
<td>Required Match</td>
<td>3,457,218</td>
<td>3,496,835</td>
<td>3,675,593</td>
<td>4,492,116</td>
<td>4,207,880</td>
</tr>
<tr>
<td>Federal Expenditures</td>
<td>12,773,854</td>
<td>12,920,230</td>
<td>13,580,711</td>
<td>16,597,632</td>
<td>*15,547,425</td>
</tr>
<tr>
<td>Actual Match</td>
<td>3,457,218</td>
<td>3,496,835</td>
<td>3,675,593</td>
<td>4,492,116</td>
<td>4,207,880</td>
</tr>
<tr>
<td>Over (Under) Match</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carryover at 9/30 (year one)</td>
<td>3,543,241</td>
<td>3,022,612</td>
<td>4,664,796</td>
<td>5,877,093</td>
<td>6,394,139</td>
</tr>
<tr>
<td>Program Income</td>
<td>432,021</td>
<td>313,376</td>
<td>203,223</td>
<td>1,203,757</td>
<td>920,328</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>3,710,925</td>
<td>4,776,967</td>
<td>3,948,372</td>
<td>4,227,908</td>
<td>3,661,441</td>
</tr>
<tr>
<td>Total Expenditures**</td>
<td>16,402,998</td>
<td>18,247,912</td>
<td>18,382,261</td>
<td>20,900,595</td>
<td>21,109,089</td>
</tr>
<tr>
<td>Percent Admin Costs to Total Expenditures</td>
<td>22.62%</td>
<td>26.18%</td>
<td>21.48%</td>
<td>20.23%</td>
<td>17.35%</td>
</tr>
</tbody>
</table>

*Deadline for obligating FY 2007 federal grant funds is September 30, 2008.
**The number 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 VR 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 (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 VR 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 (SSA) 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 SSA for rehabilitating Social Security beneficiaries to other formula programs funded under the act to expand services under those 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.
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 TA Provided to the Rehabilitation Division During the Review Process

RSA provided the following VR and SE program TA to the Rehabilitation Division during the review process regarding:

- a synopsis of each requirement and reviewed with staff RSA’s assessment of the agency’s compliance with specific financial requirements which included match, MOE, carryover, reallocation, program income, liquidation of outstanding obligations and grant closeout;

- the requirements for maintaining time distribution records applicable to staff working on more than one federal program and the Rehabilitation Division’s responsibility to ultimately charge all staff costs to federal programs based on the actual time that staff spend working in these programs;

- the OMB Circular A-87 requirement for certifying time for employees spending 100 percent of their time working on one federal grant program;

- the federal requirements related to the sources of non-federal funds that can be used to meet the VR program matching requirement and prohibitions against reversion to donor;

- the definition of administrative costs and RSA-2 reporting errors detected that resulted in an overstatement of administrative costs previously reported on the RSA-2;
• the identification and segregation of costs for “other” services that are required to be reported on the RSA-2;

• the agency’s approach to financial planning and provided TA to strengthen this process by including both financial and program staff and increasing the knowledge of financial staff in program areas/activities with financial implications – planned innovation and expansion activities and State Plan and strategic plan goals;

• planned and anticipated state budget cuts, the impact on VR program resources and strategies for releasing federal funds that cannot be matched through the reallocation process in FYs 2008 and 2009. It is anticipated that the agency may not get its full State match in 2010 or 2011 either;

• strategies for transferring program income earned in the VR program to other formula grant programs (i.e., IL and OIB) to pay a portion of the cost of the salaries and fringe benefits of staff working in these programs, as well as, documentation requirements for transferring these funds; and

• required revisions to SF-269s and RSA-2s submitted to RSA and the need to strengthen internal controls over the review and approval of financial and statistical information reported to RSA.

**VR and SE Programs’ Fiscal Management Performance Observations and RSA Recommendations**

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

1. **Non-federal Resources**

**Observation**

• The Rehabilitation Division does not have sufficient resources to fully match NV’s State VR Program’s allotment. The agency projects that 45 percent of the state appropriation provided to match the last quarter of FY 2008 and the first three quarters of FY 2009, will be used to closeout FY 2008.

• The Rehabilitation Division anticipates that state budget cuts for FYs 2009 and 2010 will further reduce the funds available to be used as match in the VR program.

• The Rehabilitation Division returned $2,000,000 in FY 2004, $2,000,000 in FY 2005 and $2,296,474 in FY 2007.
• The Rehabilitation Division is projecting that a much larger amount of its VR program’s FY 2008 allotment will be have to be returned due to insufficient non-federal resources to match the allocated federal funds.

• If the required non-federal match of $621,536 in FY 2007 had been made available, an additional $2,918,010 would have been available to provide services to VR consumers in NV.

Recommendation 1: The RSA recommends that the Rehabilitation Division continue its efforts to aggressively pursue additional matching resources for the VR program.

Agency Response: The Rehabilitation Division will continue to pursue all reasonable options to attain stable, dependable matching resources for the VR program.

TA: The Rehabilitation Division does not request TA.

2. Report Inaccuracies

Observation: The Rehabilitation Division’s FY 2007 Annual VR Program/Cost Report (RSA-2) and SF-269 contained errors that impact RSA’s assessment of program performance.

• Actual administrative costs are not as high as the costs originally reported. Included in these costs were the salaries, fringe benefits, and other costs of eight staff that should have been reported as program costs. (RSA-2)

• The cost of all purchased services is reported in aggregate under one of the four categories identified for reporting these costs. (RSA-2)

• The Rehabilitation Division did not have a methodology for separating and allocating the cost of “other” services, and reported these costs as part of the cost of assessment, counseling, guidance and placement. (RSA-2)

• The reported program income of $127,000 in FY 2007 should have been included in the FY 2006 reports. (SF-269)

• All expenditures for innovation and expansion activities were not properly reported. (SF-269 and RSA-2)

• Program income transferred to other RSA formula grant programs was not documented. (SF-269)

Recommendations: RSA recommends that, in addition to corrections made since the site visit, the Rehabilitation Division:

2.1 continue its efforts to appropriately report purchased services in specified categories; and

2.2 institute an internal review process to ensure the accuracy of the financial and statistical information reported to RSA.
Agency Response: Corrections to the report have been made. Review procedures have been instituted to verify the accuracy of reported information.

TA: The Rehabilitation Division does not request TA.

VR and SE Programs’ Fiscal Management Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that the Rehabilitation Division is required to undertake. The Rehabilitation Division 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 RSA is available to provide TA to assist the Rehabilitation Division.

1. Assigning Personnel Costs

Legal Authority: OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment B:

Section 8.h.4(a-b): Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) … Such documentary support will be required where employees work on: (a) more than one federal award; and (b) a federal award and a non-federal award.

Section 8.h.5(a-d): Personnel activity reports or equivalent documentation must meet the following standards: (a) they must reflect an after-the-fact distribution of the actual activity of each employee; (b) they must account for the total activity for which each employee is compensated; (c) they must be signed by the employee; and (d) budget estimates or other distribution percentages determined before services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes.

Finding: The Rehabilitation Division supervisory and non-supervisory staff spends considerable time working on the IL services for the OIB Program. A large portion of the personnel costs for administering the OIB program is borne by the VR program. Supervisors estimate spending 5-10 percent of their time working on this program, yet all of their salary costs are charged to the VR program. Employees working on the OIB program keep time distribution records, but these records are based on budgeted time provided to them by agency management and do not accurately reflect the actual time spent working on this program.

The Rehabilitation Division is not in compliance with OMB Circular A-87, Attachment B, Section 8, because time spent working on the OIB program is either based on budgeted amounts or is charged to the VR program, which receives no benefit from these costs.
Corrective Action 1: Beginning with FY 2009, take the necessary actions to ensure that employees working on more than one federal program are identified and salary costs charged to each of the benefiting programs are based on time distribution records that accurately reflect time spent working in each of these programs.

Agency Response: The Rehabilitation Division has identified employees that are working on more than one federal program and have instructed them to code their time to accurately reflect the time spent on each grant activity each day. The supervisory staff will monitor the activities on a monthly basis to assure the actual activities do not exceed our resources.

With this in mind, the Rehabilitation Division has done a thorough review of the time expended on the OIB grant. It has determined that an adjustment in the time allocation should be made to assure compliance with OMB Circular A-87. After taking an in-depth look at the amount of time supervisors expend on OIB activities, the Rehabilitation Division has concluded that five percent of its time expended on OIB more accurately reports actual activities.

The Rehabilitation Division has also determined that some time expended by the District Managers and support staff should be dedicated to OIB. The Rehabilitation Division will cover these costs with SSA/VR Reimbursement funding.

The Rehabilitation Division has reviewed the OIB program and the related staffing resources and has revised the FTEs dedicated to the program to 2.34 for the remainder of FFY 2008 and FFY 2009. District Managers and Supervisors’ time will be charged to SSA/VR funds to account for the supervisory role they play in OIB.

2. Periodic Certification

Legal Authority: OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment B:

Section 8.h.3: Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Finding: The Rehabilitation Division is not in compliance with the requirement in OMB Circular A-87, Attachment B, Section 8.h.3, because the agency does not complete the periodic certification requirement applicable to employees working solely on one federal grant program, or cost objective. This requirement was added when OMB Circular A-87 was revised in 1995, and is a separate requirement from the requirement to maintain time and attendance records for all employees. The Rehabilitation Division was unaware of this requirement that was added to ensure that staff time is appropriately charged to federal programs.

Corrective Action 2: RSA requires that the Rehabilitation Division develop policies/procedures to ensure that, at a minimum, semi-annual certifications are completed for all employees working
solely on one federal grant program, or cost objective as required by OMB Circular A-87, Attachment B, Section 8.h.3.

**Agency Response:** The Rehabilitation Division will develop a procedure to comply with the requirement to provide semi-annual certifications for all employees working solely on the federal grant program. The procedure will include the development of the use of an internal form, staff certification on the form, supervisory review, and a tickler system to monitor the process.
CHAPTER 4: IL PROGRAM

Agency Information and Performance

Based on data in the 704 Part I annual performance report, NV served 293 individuals in FY 2007 through contracts with the Northern Nevada CIL, Rebuilding All Goals Efficiently, Inc. (RAGE), and Care Chest, nonprofits that receive funding from multiple funding sources. An additional 1,473 individuals in the state received IL services through the two CILs receiving funding directly from RSA, the Northern Nevada CIL in Sparks, and the Southern Nevada CIL in Las Vegas. Table 4.1 below displays the funding, performance, and full time equivalents (FTEs) for the NV IL program during FY 2006 and FY 2007.

<table>
<thead>
<tr>
<th>Program Highlights</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding: Title VII, Chapter 1, Part B</td>
<td>$315,937</td>
<td>$292,933</td>
</tr>
<tr>
<td>Funding: Total Resources (including Part B funds)</td>
<td>$789,110</td>
<td>$1,016,228</td>
</tr>
<tr>
<td>Performance: Total Served</td>
<td>301</td>
<td>293</td>
</tr>
<tr>
<td>Performance: Total Consumer Service Records Closed</td>
<td>183</td>
<td>158</td>
</tr>
<tr>
<td>Performance: Cases Closed - Completed All Goals</td>
<td>121</td>
<td>101</td>
</tr>
<tr>
<td>Performance: Total Goals Set</td>
<td>452</td>
<td>445</td>
</tr>
<tr>
<td>Performance: Total Goals Met</td>
<td>254</td>
<td>232</td>
</tr>
<tr>
<td>Performance: Total Accesses Achieved</td>
<td>212</td>
<td>231</td>
</tr>
<tr>
<td>Staffing: Total FTEs</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Staffing: Total FTEs with Disabilities</td>
<td>5.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

IL Program Administration and Service Delivery

The Rehabilitation Division is the DSU for the IL Part B program in NV in accordance with revised state Assembly Bill 28, approved by the Governor on May 9, 2005. However, the initial Assembly Bill of 2003, reorganizing NV’s IL program, created the ODS within the Department of Human Services, now the Department of Health and Human Services (DHHS), as a separate state agency responsible for IL, including responsibility for administering the IL Part B program.
NV subsequently amended Assembly Bill 28 on March 9, 2005, as required by RSA, to comply with federal requirements that the DSU responsible for the administration of the IL program is the sole state agency designated to administer the State Plan for VR services, i.e., the Rehabilitation Division. While the Rehabilitation Division is the DSU for the Part B program, ODS retains its responsibilities as the lead state agency for IL and, as such, receives direct funds, including state funds, other federal funds from the assistive technology grant, and funds from a tobacco court settlement, and coordinates IL services in the state.

To implement this reorganization, the Rehabilitation Division supervises the administration of the IL Part B program through an inter-local agreement with DHHS/ODS. ODS has responsibilities for the provision of IL services and support to the SILC. Based on this arrangement, ODS submits authorizations for services rendered under the agreement, and the Rehabilitation Division transfers funds to DHHS for reimbursement to ODS staff. In addition to the SILC support, ODS provides IL services through subcontracts with service providers: RAGE, the Northern Nevada CIL, and Care Chest. ODS supplements these contracts with non-Part B funds.

**Personnel**

At the DSU level, the Rehabilitation Division’s administrator and deputy administrator of operations perform responsibilities for the Part B program, including overseeing the annual audit of ODS, disbursing federal funds, and preparing reports. Although the SILC is organized as a nonprofit, it does not employ staff. It utilizes ODS staff to provide support services through the Rehabilitation Division’s inter-local agreement. ODS responsibilities include organizing, convening, and facilitating SILC meetings. In addition, ODS staff have responsibilities for IL service delivery.

**Data Management**

ODS maintains the database used to collect and compile information from consumer service records that is included in the 704 Part I annual performance report. ODS provides this information to the Rehabilitation Division for approval and submission of required reports.

**Fiscal Management**

The Rehabilitation Division has the primary responsibility for disbursing funds to reimburse ODS for Part B expenditures under the inter-local agreement based on authorizations and supporting documentation provided by ODS.

**Quality Assurance**

The Rehabilitation Division performs an annual audit of Part B funds expended by ODS under the inter-local agreement but does not conduct a program review or assessment to determine that ODS met requirements specified. ODS is responsible for providing administrative oversight to the Part B service providers, including maintenance of consumer service records. ODS also conducts the consumer satisfaction survey and provides results to the SILC.
Planning

ODS has the primary responsibility for IL planning in the state, including developing and drafting the SPIIL based on input from the Rehabilitation Division and the SILC. In addition, ODS coordinates the implementation of NV’s Strategic Plan for People with Disabilities in conjunction with the requirements to develop a State Plan to implement the provisions of the Olmstead Decision. ODS is also responsible for organizing, convening public meetings, and reporting input from the meetings.

IL Program TA Provided to the Rehabilitation Division During the Review Process

RSA provided the following IL program TA to the Rehabilitation Division during the review process regarding:

- recommendations to increase the accountability of the Rehabilitation Division’s inter-local agreement with ODS for the Part B program by including all of the specific responsibilities of both the Rehabilitation Division and ODS within the scope of work in the agreement;

- the federal requirements related to the organizational structure of the SILC and the use of Part B funds in fund raising/resource development;

- required SILC functions related to monitoring, reviewing, and evaluating the implementation of the State Plan (34 CFR 364.21(g)(2)); and

- respective roles of the DSU, the SILC, and contractors in the administration of the Part B program.

Observations of the Rehabilitation Division and Its Stakeholders about the Performance of the IL Program

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

- ODS is a separate state agency for IL that receives direct state funds and other resources used to supplement subcontracts to service providers for the provision of IL services in the state.

- NV administers its Part B program via an inter-local agreement with ODS.

- NV has a collaborative working relationship among the Rehabilitation Division, ODS, the SILC, CILs, and other IL service providers.
• NV’s Governor has made timely SILC appointments and, therefore, the SILC operates with a full membership.

RSA discussed the observations of its stakeholders with the Rehabilitation Division 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 the Rehabilitation Division about those observations. The Rehabilitation Division responded to each of the recommendations and in those instances when RSA and the Rehabilitation Division agreed upon a recommendation, RSA and the Rehabilitation Division identified the TA that RSA would provide to the Rehabilitation Division to successfully implement the recommendations.

1. Administration of the Part B Program

Observation: In conjunction with the reorganization of NV’s Part B program in 2003 and 2005, the Part B program is administered through an inter-local agreement between the Rehabilitation Division and ODS as described above in the “Program Administration and Service Delivery” section. RSA reviewed the inter-local agreement and made recommendations to the Rehabilitation Division staff and ODS staff to increase internal controls and accountability.

• The Rehabilitation Division staff manages the receipt and disbursement of Part B funds and conducts an annual audit of ODS while ODS monitors the IL service delivery and IL providers. The Rehabilitation Division does not conduct a program review of ODS to determine that it satisfies its required responsibilities under the inter-local agreement. In addition, ODS performs some responsibilities that are not specified in the agreement, including the selection of IL service providers and the development of IL policies. The agreement does not specify that IL service providers will meet the qualifications for service providers established by the Rehabilitation Division.

• After selecting service providers, ODS enters into subcontracts for the provision of IL services. The subcontract with RAGE included a provision that RAGE will raise at least $50,000 from nongovernmental sources to support RAGE. The provisions did not stipulate that RAGE could not utilize Part B funds for fund raising.

• ODS provides specific support services to the SILC, including arranging four meetings per year, posting the agenda, and drafting minutes. However, the inter-local agreement did not include these services among ODS’ responsibilities.

Recommendation 1: RSA recommended that the Rehabilitation Division revise the inter-local agreement to increase accountability for the administration of the Part B program and implement the revised agreement.
Agency Response: The Rehabilitation Division agreed to revise the inter-local agreement with ODS to include specific provisions within the scope of work to clarify the respective responsibilities of both the Rehabilitation Division and ODS in carrying out the Part B program. In May 2008, the Rehabilitation Division submitted a revised draft agreement to RSA for review. RSA provided feedback that the draft contained the necessary provisions to increase the accountability of the program, including provisions related to ODS selection of service providers in accordance with standards established by the Rehabilitation Division; use of Part B funds; approval of IL policies; and support services for the SILC. The Rehabilitation Division will implement the revised agreement within the calendar year.

TA: The Rehabilitation Division requests that RSA provide input on an ongoing basis, via teleconference or other means, as the Rehabilitation Division implements the revised inter-local agreement with ODS for the administration of the Part B program.

2. SILC Roles and Responsibilities

Observation: Prior to, during, and following the on-site review, RSA conducted dialogues with the Rehabilitation Division, the SILC and ODS, the agency that provides SILC support services, regarding their respective roles in carrying out the SILC functions related to developing the SPIL and monitoring, reviewing, and evaluating the implementation of the SPIL.

- ODS has the primary responsibility for conducting the evaluation of the implementation of the SPIL, including the assessment of service delivery by IL service providers.
- The assessment of service delivery is determined by consumer satisfaction with services provided, and conducted by ODS staff. ODS also convenes public meetings on the SPIL and develops the draft.
- The SILC relies on ODS to fulfill these responsibilities but is not involved substantively in determining how the evaluation will be conducted or in the development of the SPIL.

Recommendation 2: RSA recommended that the SILC and ODS clarify their respective duties with respect to carrying out required SILC responsibilities, specifically, developing the SPIL and evaluating its implementation.

Agency Response: The SILC and ODS agreed to clarify their respective duties, including how the SILC would be involved in a more substantive manner in developing the SPIL and evaluating its implementation. During a follow-up teleconference in April 2008, the SILC and ODS described specific strategies under consideration to improve the evaluation of the implementation of the SPIL, including ODS soliciting input from the SILC on the selection of a vendor to conduct the evaluation of the implementation.

TA: The SILC requests that RSA provide periodic follow-up to the SILC and ODS via teleconferences or other means to provide feedback on their activities. RSA recommended that the SILC and ODS participate in the September 17-19, 2008, SILC conference in Arlington, VA sponsored by the IL-NET training and TA grantee on SILC duties and SPIL development.
CHAPTER 5: IL OIB PROGRAM

Agency Information and Performance

Based on data in the FY 2007 7-OB annual performance report, the Rehabilitation Division served 376 individuals directly and expended $241,850 in Title VII, Chapter 2 funds and $25,000 in state funds (see Table 5.1).

<table>
<thead>
<tr>
<th>Program Highlights</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures: Title VII, Chapter 2</td>
<td>243,874</td>
<td>241,850</td>
</tr>
<tr>
<td>Expenditures: Total (including Chapter 2)</td>
<td>268,874</td>
<td>266,850</td>
</tr>
<tr>
<td>Performance: Total Older Individuals who are Blind Served</td>
<td>416</td>
<td>376</td>
</tr>
<tr>
<td>Staffing: Total FTEs</td>
<td>5.45</td>
<td>6.75</td>
</tr>
<tr>
<td>Staffing: Total FTEs with Disabilities</td>
<td>0.75</td>
<td>1.15</td>
</tr>
</tbody>
</table>

OIB Program Administration and Service Delivery

The Rehabilitation Division administers the OIB program and provides OIB services directly through the Rehabilitation Division VR counselors and rehabilitation instructors. The state also provides additional funds to ODS to serve this target population. The Rehabilitation Division has a cooperative agreement with ODS to coordinate referrals between the two agencies.

Personnel

In FY 2008 the Rehabilitation Division revised the staffing structure of the OIB program and currently designates 2.34 FTEs to the OIB program.

Data Management

The Rehabilitation Division utilizes its case management system to collect and compile data for purposes of developing the 7-OB annual performance report. The system provides case management and reporting capacity and includes security features designed to comply with program confidentiality requirements.
Fiscal Management

Fiscal management for NV’s OIB program is provided by the Rehabilitation Division’s deputy administrator of operations. The Rehabilitation Division established internal controls in its case management system as a tool in the fiscal management of the program, including safeguards related to authorizations and spending levels, purchases, and vendor payments.

Quality Assurance

The Rehabilitation Division conducts service record reviews of a sample of OIB service records twice annually. This process is consistent with the method used to review VR service records. In addition, the case management system provides QA safeguards related to program requirements, including eligibility determinations and approval of the individualized written IL plans.

Planning

The Rehabilitation Division OIB staff coordinate planning activities in the state with ODS as part of the NV Strategic Plan for People with Disabilities.

OIB Program TA Provided to the Rehabilitation Division During the Review Process

RSA provided the following OIB program TA to the Rehabilitation Division during the review process:

- 7-OB reporting requirements and data collection; and
- OIB policies and procedures.

Observations of the Rehabilitation Division and Its Stakeholders about the Performance of the OIB Program

RSA solicited input from the Rehabilitation Division and stakeholders about the performance of the OIB program. The Rehabilitation Division and its stakeholders shared the observations below:

- OIB stakeholders indicated the need for more opportunities to provide input on the OIB program.

RSA discussed the observations of its stakeholders with the Rehabilitation Division 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 the Rehabilitation Division about those observations. The Rehabilitation Division responded to each of the recommendations and in those instances when RSA and the Rehabilitation Division agreed upon a recommendation, RSA and the Rehabilitation Division identified the TA that RSA would provide to the Rehabilitation Division to successfully implement the recommendation.

1. Administration of OIB Program

Observation: The Rehabilitation Division does not have staff dedicated solely to the OIB program but rather with shared responsibilities in other programs, including VR. As a result of this shared arrangement, the Rehabilitation Division has not clearly delineated staff responsibilities for the OIB program. With respect to changes in key leadership at the Rehabilitation Division at the end of the monitoring year, the Rehabilitation Division indicated that it will review the current administration of the OIB program and consider changes to better delineate responsibilities for the OIB program.

- The OIB program utilizes the same service policies as the VR program.
- The Rehabilitation Division does not have standard processes in place to solicit periodic input from OIB constituents, including consumer satisfaction.
- The Rehabilitation Division staff with OIB responsibilities have not participated in national training opportunities to increase their knowledge and skills.

Recommendation: RSA recommended that the Rehabilitation Division revise OIB service policies and procedures, develop OIB management report to track OIB services and performances, convene periodic meetings with OIB constituents to solicit input, conduct a consumer satisfaction survey with program participants, and participate in national OIB training activities to increase staff knowledge and skills.

Agency Response: The Rehabilitation Division responded that it would:

- update the OIB service policies and procedures by December 31, 2008;
- develop a monthly report by September 30, 2008 that outlines the number of individuals served in the OIB program, the services provided, and the activities conducted;
- conduct quarterly meetings with OIB constituents to solicit input;
- conduct a consumer satisfaction survey of a sample of OIB clients annually; and
- participate in the annual OIB program manager’s training and other relevant training as funding permits.
TA: The Rehabilitation Division requests that RSA provide notification to the Rehabilitation Division regarding training opportunities.
Table 2.1 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

Table 4.1 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”

Table 5.1 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”