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

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

SEPTEMBER 24, 2008
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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 Ohio (OH):

- 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.

In Ohio, the Ohio Rehabilitation Services Commission (ORSC) is the agency responsible for the administration of the four programs listed above.

RSA’s review began in the fall of 2007 and ended in the summer of 2008. During this time, RSA’s OH 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, the Independent Board of Commissioners, Statewide Independent Living Council (SILC) members, and stakeholders to share information, identify promising practices, compliance findings, and areas for improvement;
- provided technical assistance during the review process;
- identified promising practices;
- recommended that ORSC undertake specific actions to improve its performance;
- required ORSC to take corrective action in response to compliance findings;
- in collaboration with ORSC, identified technical assistance that would be helpful to improve its performance or correct compliance findings; and
- identified issues for further review.
RSA identified the strengths and challenges of the VR, SE, and IL programs.

**Strengths:**

- ORSC’s collaboration with other state agencies and community rehabilitation programs (CRPs);
- OSRC has well-qualified and highly competent staff at all levels of the organization.
- ORSC’s pool of community rehabilitation programs (CRP) in many parts of the state.

**Challenges:**

- Hiring and retaining qualified staff.
- Implementing its order of selection on a statewide basis in light of vacancies in various field offices.
- Providing services to individuals with physical disabilities and mental illness.
- Providing SE services.
- Obtaining sufficient non-federal match with possible cuts in state funding.
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 independent living outcomes;

• recommends that the state agency undertake specific actions to improve program performance; and

• provides technical assistance (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 ORSC’s progress on the agency’s Corrective Action Plan that was established as a result of findings from RSA’s FY 2004 Section 107 monitoring review.

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

ORSC is a combined state agency serving individuals with disabilities. An independent seven-member board of commissioners, appointed by the governor, governs the ORSC. By statute, the commission appoints the executive director. ORSC interacts with the Governor’s Council on People with Disabilities, a 21-member council designed to work with the governor and General Assembly. ORSC maintains an office of Legislative Affairs reporting directly to the executive director. This office serves as liaison to the State General Assembly and the Ohio congressional
delegation. The Bureau of Vocational Rehabilitation (BVR) and Bureau of Services for the Visually Impaired (BSVI) assist people with disabilities to obtain or retain employment through the VR and SE programs. ORSC has administrative responsibility over the IL and OIB programs. ¹

ORSC’s central office is headquartered in Columbus. VR/BSVI Services are administered through 41 field offices in the 4 administrative quadrants of Ohio. The Ashtabula and Cleveland field offices are co-located in one-stops.

Appreciation

RSA wishes to express appreciation to the representatives of the ORSC, including its staff and Board of Commissioners, SILC, and the stakeholders who assisted the RSA monitoring team in the review of ORSC.

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¹ In their response to the draft report, ORSC disagreed with the statement that "ORSC has administrative responsibility over the IL and OIB programs." and provided the following rationale: “In Ohio the State Independent Living Council is a completely separate body from the Commission. The SILC is an independent body created by an Executive Order of the Governor. The only administrative responsibility that the Commission has regarding the SILC is to jointly approve the SPIL. As to the IL Centers, [ORSC’s] responsibility is to administer the Part B funds.”

After review of ORSC’s response, RSA has determined that the statement that "ORSC has administrative responsibility over the IL and OIB programs." is factually accurate. As the designated State unit of Ohio, the ORSC is the grantee for the independent living funds awarded under title VII, chapter 1, Part B (State Independent Living Services program) and chapter 2 (Independent Living Services for Older Individuals who are Blind). The ORSC receives, accounts for, and disburses IL funds under this State-administered formula grant program, and therefore has responsibility to administer the State Independent Living Services program ("the IL program") in compliance with applicable statutes and regulations. This statement in the report does not imply that the ORSC has administrative responsibility over the Ohio State Independent Living Council (OSILC). RSA recognizes that OSILC is a separate body from the Commission with its own duties and responsibilities. However, neither the Governor's Executive Order nor title VII gives the SILC the responsibility to administer the IL program. As the DSU and grantee of federal funds, that responsibility belongs with the ORSC.
CHAPTER 1: RSA’S REVIEW PROCESS

Data Used During the Review

RSA’s review of ORSC 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

RSA’s review began in the fall of 2007 and ended in the summer of 2008. During this time, RSA’s OH 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, SILC members, and stakeholders to share information, and identify promising practices and areas for improvement;

• provided technical assistance during the review process;

• identified promising practices;

• recommended that ORSC undertake specific actions to improve its performance;

• required ORSC to take corrective action in response to compliance findings;

• in collaboration with ORSC identified technical assistance that would be helpful to improve its performance or correct compliance findings; and

• identified issues for further review.

RSA OH State Team Review Participants

Members of RSA’s OH state team included representatives from each of the five functional units within RSA’s State Monitoring and Program Improvement Division (SMPID). The RSA OH state team was led by RSA’s state liaison to OH, Edward J. West (VR Unit) and the following RSA OH team members: Joe Doney (TA Unit), Pamela Hodge (IL Unit), Jacqueline Stuckey and William Bethel (Fiscal Unit), Joan Ward (Data Unit), and David Esquith (SMPID).
Information Gathering

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

- conducted 5 teleconferences with VR and IL stakeholders beginning in December 2007;
- conducted 4 teleconferences with the ORSC management beginning in December 2007;
- conducted 2 teleconferences with ORSC IL program staff, SILC members, administrative staff, and OIB staff; and
- conducted an on-site monitoring visit from March 31 through April 4, and met with staff of ORSC, members of the Commission, representatives of other public agencies serving individuals with disabilities, CRPs, and other stakeholders.
CHAPTER 2: ORSC VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

Agency Information and Performance

Of the individuals whose cases were closed in FY 2007, ORSC served 14,885 individuals and successfully rehabilitated 8,988 individuals. Of those who were successfully rehabilitated, 353 achieved a supported employment outcome. Over the past five years, the number of employment outcomes achieved by individuals served by ORSC has increased. The number of applicants and the percentage of employment outcomes have remained unchanged, while the number of individuals served has increased.

Table 2.1 VR and SE Program Highlights for ORSC for FY 2003 through FY 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>$157,436,748</td>
<td>$151,567,980</td>
<td>$152,747,460</td>
<td>$156,067,839</td>
<td>$160,042,662</td>
</tr>
<tr>
<td>Individuals whose cases were closed with employment outcomes</td>
<td>7,034</td>
<td>8,088</td>
<td>8,221</td>
<td>8,589</td>
<td>8,988</td>
</tr>
<tr>
<td>Individuals whose cases were closed without employment outcomes</td>
<td>4,810</td>
<td>5,197</td>
<td>5,632</td>
<td>5,592</td>
<td>5,897</td>
</tr>
<tr>
<td>Total number of individuals whose cases were closed after receiving services</td>
<td>11,844</td>
<td>13,285</td>
<td>13,853</td>
<td>14,181</td>
<td>14,885</td>
</tr>
<tr>
<td>Employment rate</td>
<td>59.39%</td>
<td>60.88%</td>
<td>59.34%</td>
<td>60.57%</td>
<td>60.38%</td>
</tr>
<tr>
<td>Individuals whose cases were closed with supported employment outcomes</td>
<td>416</td>
<td>363</td>
<td>319</td>
<td>332</td>
<td>353</td>
</tr>
<tr>
<td>New applicants per million state population</td>
<td>2,137.94</td>
<td>2,388.57</td>
<td>2,232.64</td>
<td>2,305.75</td>
<td>2,367.74</td>
</tr>
<tr>
<td>Average cost per employment outcome</td>
<td>$6,599.08</td>
<td>$4,462.99</td>
<td>$6,507.92</td>
<td>$6,536.30</td>
<td>$6,532.47</td>
</tr>
<tr>
<td>Average cost per unsuccessful employment outcome</td>
<td>$4,972.77</td>
<td>$3,738.25</td>
<td>$5,079.93</td>
<td>$4,786.29</td>
<td>$5,011.63</td>
</tr>
<tr>
<td>Average hourly earnings for competitive employment outcomes</td>
<td>$10.34</td>
<td>$10.60</td>
<td>$10.85</td>
<td>$11.23</td>
<td>$11.78</td>
</tr>
<tr>
<td>Average state hourly earnings</td>
<td>$16.90</td>
<td>$17.26</td>
<td>$17.97</td>
<td>$18.40</td>
<td>$19.05</td>
</tr>
<tr>
<td>Percent average hourly earnings for competitive employment outcomes to state average hourly earnings</td>
<td>61.18%</td>
<td>61.41%</td>
<td>60.38%</td>
<td>61.03%</td>
<td>61.84%</td>
</tr>
<tr>
<td>Average hours worked per week for competitive employment outcomes</td>
<td>32.95</td>
<td>32.98</td>
<td>32.97</td>
<td>33.24</td>
<td>33.13</td>
</tr>
<tr>
<td>Percent of transition age served to total served</td>
<td>22.86%</td>
<td>23.40%</td>
<td>23.42%</td>
<td>23.64%</td>
<td>22.99%</td>
</tr>
<tr>
<td>Employment rate for transition population served</td>
<td>55.41%</td>
<td>57.80%</td>
<td>52.94%</td>
<td>55.04%</td>
<td>50.79%</td>
</tr>
<tr>
<td>Average time between application and closure (in months) for individuals with competitive employment outcome</td>
<td>19.1</td>
<td>18.2</td>
<td>18.1</td>
<td>18.8</td>
<td>18.0</td>
</tr>
</tbody>
</table>


**VR and SE Service Delivery**

ORSC has implemented an Order of Selection (OOS) 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. ORSC has implemented an OOS that includes three priority categories for the provision of services, including individuals with “most severe disabilities,” “severe disabilities,” and “all other eligible individuals.” By the end of FY 2006, there were 60 individuals on the OOS waiting list, who spent an average of 32 days waiting to begin the development of the Individualized Plan for Employment (IPE).

ORSC counselors provide vocational counseling and guidance, and referral services. The vast majority of services are purchased through contracts with service providers. The agency operates under an open market fee structure. Fees charged can vary from vendor to vendor and due to local administration of agency agreements with county boards and vendors.

In FY 2007, BSVI assisted 1,185 individuals who are blind or visually impaired to achieve successful employment outcomes. BSVI also contains the Rehabilitation Technology Support Unit providing VR counselors with assistive technology related information, case staffing, initial case reviews, pre-purchase/ bid reviews, and new counselor training.

With respect to the provision of SE services, OH has established state-level departments for the provision of services to individuals with mental illness and developmental disabilities.

**Personnel**

In FY 2007, ORSC employed 334 VR counselors. The ratio of VR counselors to consumers, based on these figures, is 163 consumers per counselor, based on information provided by ORSC, in the FY 2009 State Plan.

Additional staff include:

- Vocational Rehabilitation Administrators: 6
- Vocational Rehabilitation Managers: 11
- Vocational Rehabilitation Supervisors: 43
- Human Service Program Administrators: 2
- Rehabilitation Program Specialists: 18
- Caseload Assistants: 11
- Administrative Assistants: 7
- Business Operations Managers: 17
- Executive Secretaries: 5
- Account Examiner 2: 57
- Word Processing Specialist: 1
- Office Assistant 3: 77
ORSC continues to operate under a hiring freeze due to state government budgetary constraints. At the time of the review, ORSC had 30 staff vacancies.

**Data Management**

ORSC continues to research and plan for the conversion from a mainframe case management system (CMS) to an electronic CMS. The system provides tracking of case notes, and statistical information for BRS and BSVI. It generates and authorizes fiscal documents, incorporates e-mail into case records, and is WIFI compatible. Agency managers cannot use the current CMS to quickly and easily obtain information and statistical reports.

**Quality Assurance**

ORSC has a dedicated quality assurance (QA) system that focuses activities on case record reviews and monitoring of specific record deficiencies. The system was initiated in response to the RSA FY 2004 107 Monitoring Report and subsequent Corrective Action Plan. The agency’s current QA processes apply primarily to a case review of the VR process and provision of services in the IPE. ORSC updated its quality and compliance review policies in FY 2006 and again in FY 2008 to enhance internal guidelines and ensure that staff maintains high quality and compliant services in accord with federal and state laws.

The QA system is housed in the agency’s policy and legal department. Two quality assurance managers are assigned to coordinate quarterly reviews of case records and address statewide issues and policy changes.

**Planning**

In FY 2006, ORSC developed the third of its three-year strategic plans. Participants in the process included the Senior Management Team and representatives of employees at various levels of the agency. The commissioners, in conjunction with the team, established the agency mission, vision and values. The team, in consultation with ORSC staff and various external stakeholders, established goals in order to achieve the vision. Input into the plan was received from staff, partners, customer surveys and individuals attending standing meetings.

The comments from those surveys and meetings were analyzed by the team to identify the agency’s strengths, weaknesses, opportunities and threats (SWOT). The SWOT were aligned using the Balanced Scorecard technique. In turn, these perspectives were analyzed to determine the key result areas the agency must focus on to achieve the vision. The team then developed specific, measurable, achievable, realistic and timely (SMART) objectives and action plans in support of the key result areas and the strategic perspectives from the Balanced Scorecard. Priorities were based on the level of importance and the time required for implementation. Based on priorities, objectives were projected into achievable time frames for the current three-year plan.
Observations of ORSC and its Stakeholders about the Performance of the VR and SE Programs

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

- ORSC collaborates with other public agencies that provide services to individuals with disabilities and partners with CRPs throughout Ohio;
- ORSC hires well-educated and competent VR counselors;
- BSVI staff are knowledgeable about appropriate services and available for individuals who are blind and visually impaired;
- the policy of limiting administrative costs to allocate maximum funding to case services is beneficial;
- the agency website includes key information important to individuals and CRPs;
- ORSC has difficulty providing services to transition-age youths in rural areas of the state;
- Ohio’s economic condition has negatively impacted the ability of the agency to assist individuals to achieve successful employment outcomes;
- there is inconsistent application of ORSC policies and regulations across the state;
- ORSC has difficulty in hiring and retaining a sufficient number of VR counselors to fill the growing number of vacancies due to the retirement of experienced staff; and
- Some local field offices have difficulty developing effective agreements with county boards.

RSA and ORSC addressed as many of these issues as possible either directly or by consolidating the issue into a broader issue area.

VR and SE Performance Observations and RSA Recommendations

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

1. Personnel Vacancies and Order of Selection (OOS)
Observation: Due to personnel shortages and resulting high counselor caseloads, ORSC implements its order of selection (OOS) inconsistently across the state. The agency does not implement the three priority categories included in its OOS on a statewide basis.

- One of ORSC’s challenges is recruiting, hiring, and retaining qualified staff. As a result, some area offices have one or more counselor vacancies and counselors who have particularly large caseloads.

- ORSC has implemented an OOS that includes three priority categories for the provision of services, including individuals with “most severe disabilities,” “severe disabilities,” and “all other eligible individuals.” According to the information provided in its FY 2008 State Plan, ORSC was serving both MSD and SD categories and was not serving all other eligible individuals. At the beginning of FY 2006, the number of individuals (both MSD and SD) on the OOS waiting list was 563 and the average number of days individuals spent on the list was 76. By the end of FY 2006, the number of individuals on the waiting list was 60 and the average number of days on the list was 32.

- During on-site discussions, ORSC management and area office staff indicated that five offices maintained waiting lists for the provision of services, while the remaining 34 offices did not. In those five offices that maintained waiting lists, individuals with the most severe disabilities were waiting for services based on the date of application, while individuals with severe disabilities and all other eligible individuals were receiving services from the 34 offices without waiting lists.

- Area offices determine if they have sufficient resources to serve all individuals who apply and are determined eligible for services, and whether to open or close categories based on that area-level analysis. Consequently, individuals assigned to one of the three priority categories are receiving services in areas with adequate staffing, while individuals assigned to those same priority categories are not in other areas that have counselor vacancies.

- ORSC staff makes significant efforts to stretch their human resources and share caseloads across office catchment areas in order to avoid having individuals on waiting lists as a result of staff vacancies. In some instances the staff shortages are so significant that the sharing of caseloads is insufficient and individuals are put on waiting lists.

- ORSC is working to revise the manner in which it defines its priority categories so that it better distinguishes between individuals with the “most severe disabilities” and those with “severe disabilities” as recommended by its Corrective Action Plan resulting from monitoring conducted in FY 2004.

- The Corrective Action Plan of FY 2005 specified that the OOS Policy needed to be revised to sharpen the distinction between significant and most significantly disabled. The OOS policy has been revised twice during the past two years but not implemented. The three criteria to be refined by the State VR agency include the number and degree of functional limitations, the amount of time needed for VR services, and the number of VR services needed. The
The purpose of this criterion is to link the nature and depth of the individual’s functional limitations with the need for multiple services that require an extended time period for completion. One or more of the criteria can be refined.

Recommendation 1: RSA recommends that ORSC:

1.1 continue its efforts to recruit, hire, and retain qualified VR counselors;

1.2 develop strategies, including the analysis of all relevant data, to forecast its need to implement the OOS on a statewide, and not an area office, basis;

1.3 train managers and staff on the proper implementation of the OOS;

1.4 complete the steps necessary to revise the definitions of priority categories 1 and 2, so that the distinctions between these categories are more clearly defined; and

1.5 analyze data related to its current and projected financial and staff resources; the number of individuals currently being served and the costs of serving these individuals; the number of individuals projected to apply and be determined eligible for services in the coming fiscal year; and the projected cost of serving those individuals.

Agency Response: ORSC area offices make determinations of the need for implementing waiting lists, but do not open or close categories. While recruiting, hiring, and retaining qualified VR counselors will remain a high priority, any hiring will have to be within the constraints of our current budgetary circumstances and the State of Ohio hiring controls. ORSC has already scheduled mandatory training for counseling and supervisory staff on eligibility and order of selection. ORSC also anticipates revising the order of selection policy within the next several months, including determining how to assure that individuals with the most severe disabilities are served first, statewide. To achieve the ultimate goal of eliminating the need for an OOS, ORSC is currently in the process and intends to continue analyzing data and developing appropriate strategies.

Technical Assistance: ORSC may request TA

2. Underserved Individuals

Observation: Data indicate that ORSC is serving a disproportionate number of individuals with certain types of disabilities when compared to the levels at which individuals with these disabilities are represented in the general population of Ohio, based on the 2006 American Community Survey (ACS) for Ohio. Specifically, ORSC serves a greater percentage of individuals with communicative and sensory impairments, and a smaller percentage of individuals with physical disabilities than the rates at which those disabilities exist among working-age individuals with disabilities in the state. In addition, ORSC serves a smaller

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2 RSA acknowledges that the ACS data provide an inexact approximation of the number of working-age individuals in Ohio who are actually potential OSRC program participants.
percentage of individuals with mental illness and cognitive impairments when compared to the average for its peer states. Finally, the agency’s performance on Standard and Indicator 2.1, which measures access to services by individuals with disabilities from minority backgrounds, has declined over the past several years, despite an influx of Latino, Russian, and Somali minority populations in Ohio.

- In FY 2006, ORSC served a total percentage of individuals with communicative disorders and blindness of 27.64 percent, compared to a general disability population incidence of individuals with sensory disabilities in Ohio of 22 percent. This percentage increased in FY 2007 to 29.72%

- In FY 2006, ORSC served a smaller percentage of individuals with physical disabilities (26.81 percent) than exists in the general working-age population of individuals with disabilities in Ohio (59 Percent). This percentage decreased in FY 2007 to 24.99 percent.

Table 2.2
FY 2006 A.C.S. U.S. Census Bureau Ohio Individuals with Disabilities Ages 16-64

<table>
<thead>
<tr>
<th>U.S Census Bureau – Ohio 2006</th>
<th>Percent</th>
<th>Number</th>
<th>Percent of Total Population of 16 to 64 Years of Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>100.00%</td>
<td>7,409,099</td>
<td>100.00%</td>
</tr>
<tr>
<td>With any disability</td>
<td>13.40%</td>
<td>992,819</td>
<td></td>
</tr>
<tr>
<td>With a sensory disability</td>
<td>2.90%</td>
<td>214,864</td>
<td>21.64%</td>
</tr>
<tr>
<td>With a physical disability</td>
<td>7.90%</td>
<td>585,319</td>
<td>58.96%</td>
</tr>
<tr>
<td>With a mental disability</td>
<td>5.40%</td>
<td>400,091</td>
<td>40.30%</td>
</tr>
<tr>
<td>With a self-care disability</td>
<td>2.30%</td>
<td>170,409</td>
<td>17.16%</td>
</tr>
<tr>
<td>With a go-outside-home</td>
<td>3.60%</td>
<td>266,728</td>
<td>26.87%</td>
</tr>
<tr>
<td>With an employment disability</td>
<td>7.80%</td>
<td>577,910</td>
<td>58.21%</td>
</tr>
</tbody>
</table>

- In FY 2007 ORSC served a smaller percentage of individuals with psychosocial and other mental impairments than the average for its peer comparison states³ (22.32 percent versus 26 percent).

- In FY 2007, ORSC served a smaller percentage of individuals with cognitive impairments (22.96 percent), than the average for its peer states (30.68 percent).

³ Peer comparison states include Georgia (C), Illinois (C), Indiana (C), and Pennsylvania (C). Peer states were determined on the basis of the size of discretionary grant awards.
### Table 2.3

**RSA 911 Disability Populations Served Comparisons Ohio and Peer States FY 2007**

<table>
<thead>
<tr>
<th>Impairment</th>
<th>OH (C)</th>
<th>GA (C)</th>
<th>IL (C)</th>
<th>IN (C)</th>
<th>PA (C)</th>
<th>Peer Averages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Num</td>
<td>%</td>
<td>Num</td>
<td>%</td>
<td>Num</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>14,885</td>
<td>100.00%</td>
<td>7,783</td>
<td>100.00%</td>
<td>9,347</td>
<td>100.00%</td>
</tr>
<tr>
<td>Visual</td>
<td>1,659</td>
<td>11.15%</td>
<td>306</td>
<td>3.93%</td>
<td>730</td>
<td>7.81%</td>
</tr>
<tr>
<td>Communicative</td>
<td>2,765</td>
<td>18.58%</td>
<td>573</td>
<td>7.36%</td>
<td>810</td>
<td>8.67%</td>
</tr>
<tr>
<td>Physical</td>
<td>3,720</td>
<td>24.99%</td>
<td>1,507</td>
<td>19.36%</td>
<td>2,048</td>
<td>21.91%</td>
</tr>
<tr>
<td>Cognitive</td>
<td>3,418</td>
<td>22.96%</td>
<td>3,495</td>
<td>44.91%</td>
<td>3,224</td>
<td>34.49%</td>
</tr>
<tr>
<td>Psychosocial</td>
<td>2,335</td>
<td>15.69%</td>
<td>1,322</td>
<td>16.99%</td>
<td>1,763</td>
<td>18.86%</td>
</tr>
<tr>
<td>Other Mental</td>
<td>988</td>
<td>6.64%</td>
<td>580</td>
<td>7.45%</td>
<td>772</td>
<td>8.26%</td>
</tr>
</tbody>
</table>

**SUMMARY**

- Psychosocial and Other Mental: 3,323 | 22.32% | 1,902 | 24.44% | 2,535 | 27.12% | 1,922 | 22.17% | 6,532 | 33.94% | 3,243 | 26.00% |
- Communicative and Visual: 4,424 | 29.72% | 879 | 11.29% | 1,540 | 16.48% | 2,175 | 25.09% | 2,439 | 12.67% | 2,291 | 19.05% |

### Table 2.4

**RSA 911 Disability Populations served by ORSC FY 2002 – FY 2007**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Num</td>
<td>%</td>
<td>Num</td>
<td>%</td>
<td>Num</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>11,737</td>
<td>100%</td>
<td>11,844</td>
<td>100%</td>
<td>13,285</td>
<td>100%</td>
</tr>
<tr>
<td>Visual</td>
<td>1,374</td>
<td>11.71%</td>
<td>1,367</td>
<td>11.54%</td>
<td>1,540</td>
<td>11.59%</td>
</tr>
<tr>
<td>Communicative</td>
<td>1,180</td>
<td>10.05%</td>
<td>1,392</td>
<td>11.75%</td>
<td>1,853</td>
<td>13.95%</td>
</tr>
<tr>
<td>Physical</td>
<td>3,684</td>
<td>31.39%</td>
<td>3,513</td>
<td>29.66%</td>
<td>3,655</td>
<td>27.51%</td>
</tr>
<tr>
<td>Cognitive</td>
<td>2,371</td>
<td>20.20%</td>
<td>2,619</td>
<td>22.11%</td>
<td>3,050</td>
<td>22.96%</td>
</tr>
<tr>
<td>Psychosocial</td>
<td>2,789</td>
<td>23.76%</td>
<td>2,336</td>
<td>19.72%</td>
<td>2,306</td>
<td>17.36%</td>
</tr>
<tr>
<td>Other Mental</td>
<td>339</td>
<td>2.89%</td>
<td>617</td>
<td>5.21%</td>
<td>881</td>
<td>6.63%</td>
</tr>
</tbody>
</table>

**SUMMARY**

- Psychosocial and Other Mental: 3,128 | 26.65% | 2,953 | 24.93% | 3,187 | 23.99% | 3,224 | 23.27% | 3,216 | 22.68% | 3,323 | 22.32% |
- Communicative and Visual: 2,554 | 21.76% | 2,759 | 23.29% | 3,393 | 25.54% | 3,633 | 26.23% | 3,919 | 27.64% | 4,424 | 29.72% |

- ORSC continues to exceed the required performance level for Standard and Indicator 2.1, ratio of minority to non-minority service rate; however, the agency’s performance has declined continuously from FY 2001 through FY 2006 remaining level in FY 2007, so that ORSC is minimally exceeding the required performance level.
Table 2.5
Indicator 2.1 Ohio Yearly Performance FY 2000 – FY 2007

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Minorities Exiting VR</td>
<td>15,576</td>
<td>16,855</td>
<td>15,921</td>
<td>16,589</td>
<td>18,106</td>
<td>19,413</td>
<td>19,574</td>
<td>20,151</td>
</tr>
<tr>
<td>Non-Minorities Who Received Services</td>
<td>9,072</td>
<td>9,572</td>
<td>9,152</td>
<td>9,196</td>
<td>10,322</td>
<td>10,692</td>
<td>11,005</td>
<td>11,695</td>
</tr>
<tr>
<td>Non-Minority service rate</td>
<td>58.20%</td>
<td>56.80%</td>
<td>57.50%</td>
<td>55.40%</td>
<td>57.00%</td>
<td>55.10%</td>
<td>56.20%</td>
<td>58.04%</td>
</tr>
<tr>
<td>Minorities Exiting VR</td>
<td>5,474</td>
<td>6,094</td>
<td>5,229</td>
<td>5,645</td>
<td>6,147</td>
<td>7,013</td>
<td>6,944</td>
<td>6,712</td>
</tr>
<tr>
<td>Minorities Who Received Services</td>
<td>2,721</td>
<td>3,028</td>
<td>2,584</td>
<td>2,648</td>
<td>2,963</td>
<td>3,161</td>
<td>3,176</td>
<td>3,190</td>
</tr>
<tr>
<td>Minority service rate</td>
<td>49.70%</td>
<td>49.70%</td>
<td>49.40%</td>
<td>46.90%</td>
<td>48.20%</td>
<td>45.10%</td>
<td>45.70%</td>
<td>47.53%</td>
</tr>
<tr>
<td>Ratio of minority to non-minority service rate</td>
<td>0.853</td>
<td>0.875</td>
<td>0.86</td>
<td>0.846</td>
<td>0.846</td>
<td>0.818</td>
<td>0.814</td>
<td>0.819</td>
</tr>
</tbody>
</table>

Recommendation 2: RSA recommends that ORSC:

2.1 include effective methodologies in its next comprehensive statewide needs assessment to determine the extent to which individuals with specific types of disabilities, such as individuals with mental illness, cognitive impairments and physical disabilities, are being underserved by the agency and their need for VR services;

2.2 develop goals to increase the number of individuals with mental illness, cognitive impairments and physical disabilities served by the agency, along with strategies to achieve those goals; and

2.3 develop strategies to conduct outreach to individuals with disabilities from minority backgrounds in the state to improve their access to VR services.

Agency Response: A first step in this process is to ensure accurate data collection. To this end, ORSC has conducted training for staff on federal coding issues, including the coding of race and ethnicity. Additional training is planned related to disability coding. ORSC has also developed a demographic coding aid to assist staff in efficiently gathering this information from consumers. The agency is also in the process of developing a marketing plan for outreach to various underserved populations. ORSC does not agree with RSA that the agency is underserving individuals with mental illness or cognitive impairments and disagrees with the data in Table 2.4. ORSC believes its services to the Latino community equals the percentage of Latino population in the 21-64 age range but won’t really know until the 2010 U.S. Census.

Technical Assistance: ORSC may request TA
3. Supported Employment

Observation: The agency either under-utilizes supported employment (SE), or under reports SE, or both. There is a discrepancy in the availability of SE resources and vendors from county to county. Ohio has established state-level departments for the provision of services to individuals with mental illness and developmental disabilities; however, the administration of service provision and funding is made through the 88 county boards of mental health and MR/DD. This creates disparities in resource allocation, services, and vendors depending on socio-economic demographics of the individual counties. The result is a patch-work-quilt of services, which necessitates the development and maintenance of individual area agreements at the ORSC field office level. Discussion with counselors and supervisors indicated that some counselors are not aware of the procedures involved in accessing supported employment and long term supports and that coding issues may result in the under-reporting of supported employment services and outcomes.

- ORSC assisted 353 individuals to achieve supported employment (3.93 percent) in FY 2007, well below the national average of 9.48 percent.

- To improve SE services and outcomes for individuals with severe and persistent mental illness, ORSC collaborated with a number of organizations to develop the Athens County Mental Health Transformation and Recovery Group for individuals with mental illness. The collaborative initiative began in June 2005, facilitated by Eli Lilly and Co., and involved the ORSC Athens Field Office, representatives of mental health, and employment-focused organizations. Two sub-committees were formed: The Employment Support Committee involving a number of individuals with mental illness, staff from employment organizations and from Tri-County Mental Health and Counseling Services (TCMHC; the contracted mental health services provider in Athens County), was established to develop an employment component for consumers. The Interagency Workgroup Committee, composed of staff from BVR; Integrated Services System (an organization with dual experience in working with people with mental illness and work or employment focused activities); and The Gathering Place (a long-time established consumer support center), was formed to develop an integrated system model that included the infrastructure to enable the stakeholders to form the bridges that could integrate and co-locate the key staff and personnel in order to deliver expanded SE services. This collaboration allows services to be funded with community mental health funds and those available through Titles I and VI, Part B.

<table>
<thead>
<tr>
<th>FY</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Individuals Closed Who Achieved an Employment Outcomes</td>
<td>6,826</td>
<td>7,034</td>
<td>8,088</td>
<td>8,221</td>
<td>8,589</td>
<td>8,988</td>
</tr>
<tr>
<td>Total Number of Individuals Closed in Supported Employment</td>
<td>265</td>
<td>416</td>
<td>363</td>
<td>319</td>
<td>332</td>
<td>353</td>
</tr>
</tbody>
</table>
### Percentage of Individuals Closed in Supported Employment

<table>
<thead>
<tr>
<th></th>
<th>3.88%</th>
<th>5.91%</th>
<th>4.49%</th>
<th>3.88%</th>
<th>3.87%</th>
<th>3.93%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Individuals Closed in Supported Employment</td>
<td>9.00%</td>
<td>8.00%</td>
<td>9.00%</td>
<td>9.00%</td>
<td>9.00%</td>
<td>9.48%</td>
</tr>
</tbody>
</table>

**Recommendation 3:** RSA recommends that ORSC:

3.1 develop goals, including annual and long-term targets, to improve the number of supported employment outcomes, along with strategies to achieve these goals;

3.2 conduct an analysis of the local area agreements to determine the ways in which these agreements can be improved to increase the area and agency-level performance in terms of the number and quality of the supported employment outcomes achieved; and

3.3 evaluate whether errors in coding are occurring among staff and provide training as necessary depending upon the results of the evaluation.

**Agency Response:** ORSC appreciates the importance of leveraging supported employment services for its consumers. ORSC would welcome any technical assistance that could be provided in this area.

**Technical Assistance:** ORSC requests TA in leveraging supported employment services for its consumers. ORSC may request additional TA.

### 4. Productivity Goals

**Observation:** ORSC has established productivity goals for its counselors that focus on the quantity of the employment outcomes achieved. These goals have increased annually in recent years. These increasingly higher goals may have reached a point of having a counterproductive impact on the quality of the employment outcomes that ORSC’s program participants achieve, as well on retaining qualified counselors.

- During on-site discussions, counselors indicated that productivity goals have continued to rise and so have workload expectations. Counselors stated that they are required to complete a large amount of documentation and that they lack sufficient time to meet with individuals on their caseloads.

- Counselors indicated that the increasing productivity goals, along with the corresponding pressure to spend less time with individuals and serve them quickly, makes it particularly difficult to provide services to the individuals with the most significant disabilities, who typically require more intensive services delivered over a longer period of time.
On average individuals are engaged in the ORSC VR program for a period of 17.9 months from application to the achievement of an employment outcome – 5.2 months shorter than the peer state average and 6.3 months shorter than the national average for general and combined agencies.

### Table 2.7

<table>
<thead>
<tr>
<th></th>
<th>Ohio (C)</th>
<th>Georgia (C)</th>
<th>Illinois (C)</th>
<th>Indiana (C)</th>
<th>Pennsylvania (C)</th>
<th>Peer Average</th>
<th>General / Combined Agencies Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Months between Application and Closure</td>
<td>17.9</td>
<td>25.1</td>
<td>24.2</td>
<td>20.6</td>
<td>27.9</td>
<td>23.1</td>
<td>24.2</td>
</tr>
</tbody>
</table>

**Recommendation 4:** RSA recommends that ORSC:

4.1 develop strategies that enable counselors to provide appropriate services over a sufficient period of time to assist individuals with disabilities, including those with the most significant disabilities, to achieve quality employment outcomes; and

4.2 develop goals that focus on the quality of employment outcomes, along with strategies to achieve those goals.

**Agency Response:** ORSC has already initiated steps to address counseling workload issues. This includes working to streamline the VR process, utilizing videoconferencing to reduce travel, providing more training for staff on topics such as eligibility and order of selection, and pursuing a new case management system. ORSC has solicited input from the Council of Supervisors and area managers, and will collaborate on strategies to address the recommendations. Counselors and commissioners will also participate in the development of our goals with consideration of resources, caseload size, staffing, current caseload, and other situational factors.

**Technical Assistance:** ORSC may request TA

### 5. Quality Assurance (QA)

**Observation:** ORSC employs dedicated Quality Assurance Managers. The managers focus their QA activities on case record reviews and monitoring of specific record deficiencies as identified in the 2004 Corrective Action Plan. The agency’s current QA processes apply primarily to a case review of the VR process and provision of services identified in the IPE.

- There may be policies (e.g., the Training Rule) that would benefit from the application of QA process to ensure that it is being implemented consistently in all quadrants of the state.
• CRP availability and quality of services varies from office to office in an “open market” system. As discussed earlier the inconsistent availability of services in Ohio is partly due to local control through county government. There are 88 counties who maintain boards to administer and provide services for mental health and for mental retardation/developmental disabilities in Ohio. The availability and extent of those services depends partly on county resources and priorities. The application of a QA process to evaluate the nature and extent of those services could be valuable information for ORSC in its planning process.

• Client choice varies with the service delivery system that exists in each location. Some areas of Ohio are more rural in nature and vendors are not available in sufficient quantity, which limits choice, or as mentioned above, county resources may limit services availability, particularly for supported employment and extended supports.

• Lack of a standardized scripted Referral Orientation process may result in inconsistent verbal information from office to office. Individuals with disabilities attend group orientation as part of the application process. The information that they receive and the delivery of that information are not standardized from office to office, which may result in perceived inconsistency.

Recommendation 5: RSA recommends that ORSC improve and expand QA activities to other program and fiscal activities to encompass an agency-wide approach that includes:

• the evaluation of the extent to which ORSC policies and guidance directives are being implemented consistently in the field;

• an evaluation of the quality of the services that are purchased as well as provided by ORSC staff;

• an assessment of how well the agency is meeting the vision, mission and values of the agency;

• the degree to which the agency’s performance is congruent with the comprehensive strategic plan;

• measures of accountability at all levels of the agency; and

• an evaluation of agency outcomes, including fiscal and data management, involving staff, stakeholders, individuals with disabilities, and community partners.

Agency Response: ORSC shares RSA’s interest in improving and expanding QA activities. Budget and staffing controls will need to be a consideration. ORSC would be receptive to TA in this area.
Technical Assistance: ORSC requests TA in regard to other states’ QA systems that have effectively addressed consistency of service issues as well as evaluating the quality of purchased services. ORSC may request additional TA.

6. Planning and Communication

Observation: ORSC has engaged in a strategic planning process that incorporates input from management and field staff. This process would benefit from increased integration with fiscal planning and the State Plan.

Discussion with the agency’s executive team revealed that the Strategic Plan is presently a stand-alone document that would benefit from greater clarity, focus and an evaluative significance. RSA was not able to determine if ORSC uses a systematic process to evaluate the action steps that are identified in its strategic plan and effectively measure the agency’s progress in meeting its goals and objectives.

- Agency performance reports are not shared and the strategic planning process could benefit from the involvement of more counselors in the agency’s strategic planning process.

- ORSC has made significant progress in improving communication within the agency. At all levels, ORSC staff possesses a high degree of subject matter expertise that may not be fully exploited by sharing this information with other persons in the organization. There is room for improvement in the sharing of effective practices, guidance on implementation of new policies, and opportunities for staff to provide input on new policies and procedures during their development.

- The planning process could also benefit from more involvement of One-stop staff.

Recommendation 6: RSA recommends that ORSC:

6.1 include a greater emphasis on the integration of fiscal and programmatic planning in its strategic planning process, as well as greater involvement of counselors and one-stop partners;

6.2 continue to improve communication between headquarters and front line staff and promote the sharing of effective practices and innovative service delivery approaches among staff; and

6.3 expand use of videoconferencing to provide counselors with the opportunity to provide TA to each other and share information.

Agency Response: Both the RSA monitoring and the AOS Performance Audit recommended that there be greater emphasis on the integration of fiscal and programmatic planning in the strategic planning process. As a first step, the ORSC Commissioners have established two “committees” to increase understanding and involvement in the Budget and Audit areas, as well as the Strategic Planning arena. The Budget & Audit Committee, as part of its charter, has identified the need to strengthen the connection between the budgetary process and strategic planning.
Technical Assistance: ORSC may request TA

7. The High Cost of Services

Observation: A review of the ORSC data available to RSA revealed that the costs for successful and unsuccessful closures are consistently and significantly higher when compared to peer states and national averages for general and combined agencies. The manner by which ORSC establishes the cost of services purchased from CRPs may contribute, in part, to these high costs. As indicated in the Tables below:

- In FY 2006, the cost in Ohio increased slightly to $6,536.30, with a national average of $4,631. In FY 2007 the cost in Ohio was $6,532.47 with a national average of $4,841.54 and peer state comparison of $5,379.62.

- In FY 2006, in Ohio the average cost per unsuccessful outcome per the RSA-911 was 4,786.29, compared to a national average of $2,939.84. In FY 2007, the cost in Ohio rose to $5,011.63, compared to a national average of $3,052.55 and a peer state average of $3,472.13.

- In FY 2006, in Ohio the average cost per competitive employment outcome was $6,673, compared to a national average of $4,632.60. In FY 2007, the cost in Ohio decreased slightly to $6,647.97, with a national average of $4835.54, and a peer state comparison average of $5,420.00.

Table 2.8
Cost per Outcome Ohio and National Average FY 2005 to FY 2007

<table>
<thead>
<tr>
<th></th>
<th>ORSC</th>
<th>All Agencies</th>
<th>ORSC</th>
<th>All Agencies</th>
<th>ORSC</th>
<th>All Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average cost per employment outcome per 911</td>
<td>$6,507.92</td>
<td>$4,447.92</td>
<td>$6,536.30</td>
<td>$4,631.95</td>
<td>$6,532.47</td>
<td>$4,841.54</td>
</tr>
<tr>
<td>Average cost per unsuccessful outcome per 911</td>
<td>$5,079.93</td>
<td>$2,896.85</td>
<td>$4,786.29</td>
<td>$2,939.84</td>
<td>$5,011.63</td>
<td>$3,052.55</td>
</tr>
<tr>
<td>Average cost per competitive employment outcome</td>
<td>$6,664.51</td>
<td>$4,435.02</td>
<td>$6,673.34</td>
<td>$4,632.60</td>
<td>$6,647.97</td>
<td>$4,835.54</td>
</tr>
</tbody>
</table>
ORSC is currently utilizing what it identifies as an “open market structure” for setting fees. Under the current open market structure, CRPs determine the prices of their own services and the appropriate pricing or fee structures. ORSC then purchases the services using the fee structure for services that best meet consumer needs.

In FY 2007, purchased services made up 58 percent of the total expenditures for the agency.

RSA suggests that this method for setting fees may lead to higher service costs.

Recommendation 7: RSA recommends that ORSC:

7.1 conduct an analysis of the method used to establish fees with the CRPs to determine the extent to which this method contributes to the agency’s high costs for outcomes;

7.2 develop strategies to control the agency’s costs for successful and unsuccessful outcomes based on this analysis; and

7.3 explore whether the purchasing of placement is the most cost effective means of providing this service.

Agency Response: ORSC believes that it has an outstanding network of CRPs that the agency purchases services from and continues to work collaboratively with CRPs on cost containment strategies. Many CRPs have worked with ORSC to maintain flat levels or even reduce fees. During the next year, ORSC plans to analyze the CRP fee structure and evaluate the most cost effective means of providing services to eligible individuals.

Technical Assistance: ORSC would welcome TA regarding other systems or processes used by other states to purchase services from CRPs that RSA feels would better serve its consumers.
VR and SE Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that ORSC is required to undertake. ORSC 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 ORSC.

1. Governor’s Initiative on Jobs for People with Disabilities

**Legal Requirement:** Section 100 (a)(2) of the Rehabilitation Act and 34 CFR 361.1 regarding the purpose of the VR program; Section 103(b) of the act and 34 CFR 361.49 regarding the provision of services to groups of individuals with disabilities; and, Section 102 (b)(3)(B) and 103(a) of the act, and 34 CFR 361.46 (a)(2) and 361.48 regarding the provision of services identified in the IPE.

**Findings:** The Ohio Auditors Office brought this initiative to RSA’s attention while conducting its own performance audit of RSC during FY 2008. RSA has received supporting documentation, including examples of Quarterly and Monthly Contracting Activity Reports, from the Ohio Auditors Office.

In 1994, the state of Ohio established a program entitled: “Governor’s Initiative on Jobs for People with Disabilities” (see Ohio Revised Code 3304.38). The published reasons for the program are to stimulate economic growth and help Ohio companies grow, resulting in full-time payable wages with benefits for persons with disabilities. This program is administered by the Employment Services Unit of the ORSC and is funded under the "Service to Groups" authority set forth at section 103(b) of the Rehabilitation Act of 1973, as amended, and 34 CFR 361.49 of the VR regulations.

Under the Governor's Initiative program, ORSC purchases manufacturing equipment for private-for-profit corporations in exchange for them hiring a certain number of individuals with disabilities. This program advertises: " ORSC partners with Ohio businesses to create job opportunities for people who have disabilities. We'll assist with the purchase of equipment or machinery in return for a fixed number of jobs for an established time period." Eligible businesses are those "companies that are creating job opportunities through expansions or equipment upgrades primarily in metropolitan areas, cities and/or high unemployment according to current OBES rates." According to the program's guidelines, ORSC will purchase approximately $5,000 worth of fixed assets "for each job slot included in the agreement." A higher ratio may be negotiated.

Through its review, RSA has learned that the equipment purchased thus far under the Governor's Initiative program include forklifts, banding machines, CNC machines, manufacturing and production equipment. The businesses retain possession of the equipment even after the individual with a disability has left the position for any reason. After three years, ORSC
transfers title of the equipment unconditionally to the participating company. The records reviewed revealed that RSC has expended approximately $300,000 to $400,000 of Title I VR funds towards this initiative each year.

Table 2.10
Contractor/Employer recipients of funding/equipment under the Governor’s Initiative FY 2005 – FY 2007

<table>
<thead>
<tr>
<th>Contractor/ Employer</th>
<th>Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2005</strong></td>
<td></td>
</tr>
<tr>
<td>Arius-Eckert</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>Embro</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>3SG</td>
<td>$38,640.50</td>
</tr>
<tr>
<td>InfoCision</td>
<td>$97,483.50</td>
</tr>
<tr>
<td>Allied-Barton</td>
<td>$39,814.00</td>
</tr>
<tr>
<td>Creative Wire</td>
<td>$36,134.00</td>
</tr>
<tr>
<td>Moving Expressions</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Encon</td>
<td>$22,084.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$330,156.00</td>
</tr>
<tr>
<td><strong>FY 2006</strong></td>
<td></td>
</tr>
<tr>
<td>Bethel Engineering</td>
<td>$63,000.00</td>
</tr>
<tr>
<td>TMT Warehousing</td>
<td>$43,020.00</td>
</tr>
<tr>
<td>Assurant Solutions</td>
<td>$21,580.00</td>
</tr>
<tr>
<td>Aesthetic Finishers</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Core Composite</td>
<td>$64,143.00</td>
</tr>
<tr>
<td>Eliza Jennings</td>
<td>$83,401.00</td>
</tr>
<tr>
<td>ACCOR</td>
<td>$49,909.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$400,053.00</td>
</tr>
<tr>
<td><strong>FY 2007</strong></td>
<td></td>
</tr>
<tr>
<td>Kaiser Pickles</td>
<td>$50,810.00</td>
</tr>
<tr>
<td>American Home Health</td>
<td>$97,640.00</td>
</tr>
<tr>
<td>Paint Creek Supply</td>
<td>$15,950.00</td>
</tr>
<tr>
<td>North American Plastics</td>
<td>$84,500.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$248,900.00</td>
</tr>
</tbody>
</table>

\[4\text{ In response, ORSC has indicated that “This is not always the case. The title is not transferred until we have ensured that the terms and conditions of the agreement as to hiring consumers of disabilities have been met.”}\]
After reviewing all of the relevant information regarding the Governor's Initiative and ORSC’ expenditures of Title I VR funds for this program, we have determined that these expenditures are unauthorized under Title I of the Rehabilitation Act for three reasons. First the purpose of the Governor’s Initiative program is to fund a per capita incentive to private businesses to hire individuals with disabilities, whereas the purpose of the VR program is to provide services to individuals with disabilities so that they may achieve an employment outcome that is consistent with their strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice. As such, the Governor's Initiative is outside the scope and purpose of the VR program (section 100(a)(2) of the Rehabilitation Act and 34 CFR 361.1). Second, the equipment purchased by ORSC for the Governor's Initiative program do not constitute a "service to group" pursuant to section 103(b) of the Rehabilitation Act and 34 CFR 361.49. Third, the equipment purchased by ORSC for the Governor's Initiative program was not purchased pursuant to an eligible individual's individualized plan for employment (IPE) as required by sections 102(b)(3)(B) and 103(a) of the Rehabilitation Act and 34 CFR 361.46(a)(2) and 361.48. As a result of these unauthorized activities, these expenditures are unallowable under the VR program.

Corrective Action 1: ORSC must:

1.1 cease using Title I funds to finance purchases made pursuant to the Governor's Initiative; and

1.2 submit a written assurance to RSA within 10 days of receipt of this monitoring report that it will no longer use Title I VR funds to finance the Governor's Initiative program. ORSC must assure that it will use Title I funds for authorized activities, namely for 1) the provision of VR services consistent with section 103 of the Rehabilitation Act and 34 CFR 361.48 and 361.49 of the VR regulations, and 2) administrative costs as required by section 111(a)(1) of the Rehabilitation Act and 34 CFR 361.3.

Finally, RSA reserves the right to pursue enforcement action as it deems appropriate, including the recovery of Title I VR funds expended for the Governor's Initiative, pursuant to 34 CFR 80.43 of EDGAR.

2. Order of Selection

Legal Requirement: Section 101(a)(5) of the Act and 34CFR 361.36(a). These statutory and regulatory provisions require a state VR agency to develop an order in which it will serve individuals in the event that it is unable to serve all eligible individuals who apply. In such an event, the State Plan must assure that individuals with the most significant disabilities will be given priority for services (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 number of services to be provided and the time during which these services will be provided (34 CFR 361.5(b)(31) and 34 CFR 361.36(d)(1)). An order of selection may not be based on any other factors, including duration of residency, type of disability, consumer demographics, source of referral, expected employment outcome, need for specific services or the cost of those services, and income level of the individual (34 CFR 361.36(d)(2)).
**Finding:** Although it is not written agency policy, from conversations with field office supervisors and counselors, RSA staff learned that counselors routinely serve employed individuals seeking job retention services and individuals who are referred to ORSC from agencies with “dedicated funding streams” (e.g. Department of Corrections) regardless of the severity of their disabilities, thereby giving these individuals the highest priority for services. RSA finds this practice to be inconsistent with federal requirements pertaining to the implementation of an Order of Selection set forth in the Act and its implementing regulations.

Giving priority to individuals because they have been referred from the Department of Corrections or because they are employed and need job retention services clearly ignores the Federal prohibition at 34 CFR 361.36(d)(2) of considering such factors. Therefore, ORSC is not in compliance with Federal requirements in the implementation of its order of selection.

RSA provided written guidance to ORSC on this matter during the course of the review. However, the agency has yet to complete the steps necessary to address this finding.

**Corrective Action 2:** ORSC must develop written guidance, based on that provided by RSA, informing staff that they can no longer consider factors other than the significance of an individual’s disability, the number of services to be provided and the period of time over which the services are to be provided when determining the assignment to a priority category under the agency’s OOS. Specifically, staff cannot consider an individual’s need for job retention services or referral from the state’s correction system. The agency should provide training to all management and staff on this guidance to ensure the consistent implementation of proper practices.
RSA reviewed ORSC’s fiscal management of the VR and SE programs. During the review process RSA provided technical assistance 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 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 percentages are taken from the RSA-2.

<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>108,669,309</td>
<td>111,423,253</td>
<td>111,586,551</td>
<td>114,993,706</td>
<td>94,717,479</td>
</tr>
<tr>
<td>Required Match</td>
<td>29,411,134</td>
<td>30,156,484</td>
<td>30,200,680</td>
<td>31,122,820</td>
<td>25,635,099</td>
</tr>
<tr>
<td>Federal Expenditures</td>
<td>108,669,309</td>
<td>111,423,253</td>
<td>111,586,551</td>
<td>110,615,436</td>
<td>67,645,995*</td>
</tr>
<tr>
<td>Actual Match</td>
<td>29,414,038</td>
<td>30,158,232</td>
<td>30,202,490</td>
<td>31,125,030</td>
<td>32,023,875</td>
</tr>
<tr>
<td>Over (Under) Match</td>
<td>2,904</td>
<td>1,748</td>
<td>1,810</td>
<td>2,210</td>
<td>6,388,776</td>
</tr>
<tr>
<td>Carryover at 9/30 (year one)</td>
<td>30,511,309</td>
<td>28,487,501</td>
<td>35,133,460</td>
<td>27,051,953</td>
<td>22,262,923</td>
</tr>
<tr>
<td>Program Income</td>
<td>13,113,600</td>
<td>9,078,290</td>
<td>5,168,952</td>
<td>6,360,362</td>
<td>3,462,522</td>
</tr>
<tr>
<td>Maintenance of Effort (MOE)</td>
<td>28,429,640</td>
<td>29,496,987</td>
<td>29,414,038</td>
<td>30,158,232</td>
<td>30,202,490</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>14,914,888</td>
<td>11,810,895</td>
<td>12,022,402</td>
<td>11,399,818</td>
<td>16,595,708</td>
</tr>
<tr>
<td>Total Expenditures**</td>
<td>157,436,748</td>
<td>151,567,980</td>
<td>152,747,460</td>
<td>156,067,839</td>
<td>160,042,662</td>
</tr>
<tr>
<td>Percent Admin Costs to Total Expenditures</td>
<td>9.47%</td>
<td>7.79%</td>
<td>7.87%</td>
<td>7.30%</td>
<td>10.37%</td>
</tr>
</tbody>
</table>


**Includes Supported Employment 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 community rehabilitation program, 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 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 community rehabilitation program. 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 maintenance of effort provisions. Effective federal FY 1993 and each federal fiscal year thereafter, the maintenance of effort 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 maintenance of effort 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 ORSC During the Review Process

RSA provided VR and SE program technical assistance to ORSC during the review process regarding:

- alternative contract format and fee structuring;
- contract administration and processing payments from CRPs;
- written policies governing the rates of payment for all purchased vocational services;
- requirements for a VR agency to identify and use funds to meet non-federal match;
- obligations and requirements it places on vendors it utilizes to provide VR services;
- impact of the cost of purchased services on the overall cost per employment outcome; and
- properly reporting administrative staff and costs to ensure correct and accurate records.
Observations of ORSC about the Fiscal Management Performance of the VR and SE Programs

RSA solicited input from ORSC about the fiscal management performance of the VR and SE programs. The ORSC shared the following observations:

- ORSC is experiencing difficulty in obtaining sufficient non-federal match as state funds are reduced; and
- There is a need to review costs associated with purchased services.

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

VR and SE Program Fiscal Management Performance Observations and RSA Recommendations

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

1. Contract Administration

Observation: ORSC does not specify the obligations and requirements it places on vendors providing VR services. There are payments made for services through a purchase order without a certification of services received.

- A CRP completes a form that includes what services it is proposing to provide and the fee it is requiring for that service. The CRP is then placed on a list of vendors.
- Agreements state that: “Grantee shall provide the nature and scope of work as set forth in the Request for Proposal and Grantees response thereto which are attached to and made a part of this Agreement, and is fully incorporated into this Agreement, as if it were fully rewritten herein.”
- Purchase orders are paid without this attachment to the agreement to even review what services the CRP was to provide. Further, the agreements that cover Administrative & Management for case services and OIB have the same boilerplate language, even when the purchase orders are not for payment of the same vendor.
- A more specific contractual and payment process may bring additional efficiencies to the ORSC service delivery system, reducing the current high cost of purchased services and bring accountability to the delivery of services.
Currently, services are provided within the parameters of the individual CRP’s list of activities the CRP provides. Not having a contract to make the individual CRP accountable for the services listed results in purchase orders being paid with short narratives like: “Admin & management for case services FY 2008 for $15,130” or “IL Services for Older Blind for $5,793.”

**Recommendation 1:** RSA recommends that ORSC:

1.1 enter into comprehensive contractual agreements with VR vendors; and

1.2 develop agreements that provide specific requirements on similar services offered throughout the state but allow for flexibility in rates charged, according to location and service population. This would enable an individual with disabilities to receive the same quality of service, with all the required components of that service, regardless of the location of the CRP.

**Agency Response 1:** ORSC is already researching the practices of other states recommended by RSA in this area. ORSC plans to analyze this information, develop strategies in the coming year, and report progress via quarterly monitoring.

**Technical Assistance:** ORSC does not request TA

**2. Fiscal Controls**

**Observation:** ORSC maintains some fiscal controls on the services it purchases from vendors. The counselor determines, with input from the individual with disabilities, which vendor to use and then is also responsible for approving the payment for those services. There are some supervisors who do file checks but these controls could be strengthened and implemented more consistently.

**Recommendation 2:** RSA recommends that ORSC:

2.1 develop additional fiscal controls and provide training to affected staff on the implementation of current and new procedures;

2.2 have a different person approve payment for the service, after the counselor has selected the service; and

2.3 ensure supervisory quality control in every office through consistent application of policies and procedures.

**Agency Response 2:** ORSC VR staff plan to collaborate with ORSC’s fiscal management unit to ensure appropriate fiscal oversight that does not hinder productivity.

**Technical Assistance:** ORSC does not request TA
CHAPTER 4: INDEPENDENT LIVING PROGRAM

Agency Information and Performance

In FY 2007, 181 individuals received independent living services through two Part B funded CILs. An additional 7,094 individuals received IL services through CILs with combined Part B and Part C funds. ORSC does not retain any IL funds to serve consumers directly; all Part B funds are contracted to CILs across the state. ORSC expended a total of $714,582.00 funds, of which $643,124 comprised the Part B funding. The CILs in OH include: the Ability Center – Toledo, Access Center-Dayton, Lincoln Employment- Lorain, ILCNO-Mansfield, IL Options-Cincinnati, MOBILE-Columbus, Services for IL-Cleveland, Society for Equal Access – Lancaster, and Tri-County IL Center - Akron.

Table 4.1
IL Program Highlights for ORSC for FY 2006 and FY 2007

<table>
<thead>
<tr>
<th>Data Elements</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding: Title VII, Chapter 1, Part B</td>
<td>652,739</td>
<td>643,124</td>
</tr>
<tr>
<td>Funding: Total Resources (including Part B funds)</td>
<td>6,026,713</td>
<td>717,582</td>
</tr>
<tr>
<td>Performance: Total Served</td>
<td>165</td>
<td>181</td>
</tr>
<tr>
<td>Performance: Total Consumer Service Records Closed</td>
<td>31</td>
<td>36</td>
</tr>
<tr>
<td>Performance: Cases Closed, Completed All Goals</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Performance: Total Goals Set</td>
<td>120</td>
<td>124</td>
</tr>
<tr>
<td>Performance: Total Goals Met</td>
<td>52</td>
<td>72</td>
</tr>
<tr>
<td>Performance: Total Accesses Achieved</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>

IL Program Administration and Service Delivery

The ORSC is the DSU that carries the primary fiduciary responsibility for, and is the recipient of, Part B funds. The Part B resources are passed through to the SILC to fund the resource plan and the CILs to support their general operations.

The OH SILC is an independent agency within state government as recognized by federal law, the Governor's Executive Order and the Ohio Revised Code (R.0 3304.50).

OH applied $643,124 of Part B funds in accordance with the approved State Plan for IL (SPIL) to fund activities related to expanding capacity or fostering the development of the network of CILs, fostering communications among CIL directors and encouraging formation of a CIL association, start-up costs for the creation of a CIL, and matching grants for attendance and
participation at national conferences. OH receives additional state funds that supplement the Part B funds.

**Personnel**

The DSU assigns one liaison to the Part B program. The DSU supplies administrative and support services in claims processing, accounting, contracting, and collaboration efforts. The DSU also aids in monitoring and the review of the CIL operations budget.

**Data Management**

The Part B CILs submit their data to the IL liaison for the DSU. The information is compiled and reported on the RSA-704 Part I performance report.

Each of the Part C CILs in OH collects data through their individual data systems. These data are made available to RSA through each CIL’s annual RSA-704 Part II performance report.

**Fiscal Management**

The DSU is responsible for the fiscal management of Part B funds. The DSU conducted fiscal audits for six CILs covering FY 2006 grants.

Negotiations are underway with the Auditor of State to conduct a combined audit of the SILC for FY 2006 and FY 2007 using agreed upon procedures.

The CILs report regularly to the DSU on their activity. Included in the report is any documentation that substantiates any request for reimbursement of approved expenditures. The reports are reviewed upon receipt by the DSU IL Liaison, the IL accountant and bookkeeping office prior to going to the Division Administrator for approval.

The CILs submit invoices for approved expenses with receipts attached and the DSU reimburses for expenses.

**Quality Assurance**

The IL liaison is responsible for conducting quality assurance for the Part B program. DSU conducts fiscal and program audits of those CILs receiving Part B funding.

**Planning**

The SPIL serves as the Ohio strategic plan for IL. The SILC, CILs, the DSU and other disability organizations are responsible for providing input for the Part B program.
IL Program TA Provided to ORSC, SILC, and CILs During the Review Process

RSA provided IL program TA during the review process regarding:

- respective roles of the DSU, the SILC, and the CILs in the administration of the Part B program;
- SILC appointments and term limits—two three-year terms; and
- SILC members’ roles and responsibilities as well as SILC duties.

Observations of ORSC, SILC, and CILs and Its Stakeholders about the Performance of the IL Program

RSA solicited input from a wide range of the stakeholders about the performance of the IL program. The stakeholders shared the observations below:

- There needs to be better communication between the DSU and IL.
- There is a shortage of IL services across the entire state.
- There is a shortage of accessible transportation and accessible, affordable housing.

IL Part B Compliance Findings

RSA identified the following compliance finding and corrective action that ORSC is required to undertake. ORSC 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 ORSC.

1. SILC Composition

Legal Requirement: Section 705(b)(6)(7)(A) of the Act. No member of the Council may serve more than two consecutive full terms. Except as provided in subparagraph (B), any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.
Finding: The Ohio SILC Board roster indicated four vacancies for a lengthy period of time. These vacancies have existed for a minimum of one year. The SILC Executive Director reported that no applications are in process at the Governor’s office for approval/disapproval.

The OH SILC is out of compliance due to lengthy vacancy appointments, as required in Section 705(b)(6)(7)(A). As vacancies occur, new appointments must be made in an expeditious manner by the Governor's office. No applications for vacancies have been submitted.

Agency Response: It is ORSC’s position that “the SILC needs to develop the corrective action plan, not ORSC, because of the independent status of the SILC in Ohio.”

Corrective Action 1: After and consideration of ORSC’s response, RSA has determined that ORSC must submit the corrective action plan. Section 705(a) of the Act and 34 CFR 364.21(a) provide, "To be eligible to receive financial assistance under chapter 1 of title VII of the Act, each State shall establish a Statewide Independent Living Council that meets the requirements of section 705 of the Act." As the agency acting for the State, it is ORSC's responsibility to work with the OSILC to ensure OSILC's compliance with the Act. As the grantee of title VII, chapter I, Part B funds, it is ORSC that must submit the corrective action plan. Given the nature of the finding, however, it is anticipated that ORSC will work closely with the OSILC as the OSILC takes the corrective action necessary to bring itself into compliance with section 705 appointment requirements.

In order to comply with Section 705(b)(6)(7)(A), the Ohio SILC will:

1.1 obtain and maintain a current SILC Board roster from the Governor’s office to evaluate the number of vacancies and expired terms;

1.2 develop and implement effective strategies for recruitment to the SILC Board;

1.3 maintain the number of applications waiting appointment to the SILC and determine how to move the applications forward; and

1.4 refer the Ohio SILC to ILRU for intensive training on SILC duties, roles and responsibilities.
CHAPTER 5: INDEPENDENT LIVING FOR OLDER INDIVIDUALS WHO ARE BLIND PROGRAM

Agency Information and Performance

In FY 2007, the ORSC OIB program served 3,614 individuals either directly or through contracts. The OIB Program expended a total of $2,057,531. The total of Title VII, Chapter 2 funds expended was $1,365,000.

Table 5.1
OIB Program Highlights for ORSC for FY 2006 and FY 2007

<table>
<thead>
<tr>
<th>Data Elements</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures: Title VII, Chapter 2</td>
<td>1,217,953</td>
<td>1,365,000</td>
</tr>
<tr>
<td>Expenditures: Total (including Chapter 2)</td>
<td>2,486,480</td>
<td>2,057,531</td>
</tr>
<tr>
<td>Performance: Total Older Individuals who are Blind Served</td>
<td>4,215</td>
<td>3,614</td>
</tr>
<tr>
<td>Staffing: Total FTEs</td>
<td>58.59</td>
<td>37.46</td>
</tr>
<tr>
<td>Staffing: Total FTEs with Disabilities</td>
<td>5.95</td>
<td>2.91</td>
</tr>
</tbody>
</table>

OIB Program Administration and Service Delivery

The ORSC/ DVI Director who is a member of the DSU management team administers the OIB Program. ORSC staff members provide services to consumers from the regional offices. ORSC also contracts with service providers who operate throughout the State that deliver OIB services.

Personnel

The OIB program is comprised of 5.28 FTEs and there are 32.18 contract staff members. The 20.46 direct service staff members are classified as social workers, rehabilitation teachers and orientation and mobility instructors. There are 0.1 volunteers and 11.84 support staff. Administrative staff are comprised of 5.16 individuals.

Data Management/Quality Assurance

ORSC/DVI collects data for the OIB program through its data collection system and completes the RSA-7OB annual performance report for submission to RSA.
Separately, the OIB administrator works closely with the SILC and uses this as an opportunity to gather programmatic information regarding IL services across the state. In addition, the OIB administrator participates in the development and implementation of the SPIL and this enables him to further evaluate and improve OIB services.

The OIB Program does not have written policies and procedures for quality assurance.

**Fiscal Management**

The procedures for OIB fiscal management are not specific to this program and are covered in general fiscal sections of this report.

**Planning**

The data management topics covered above comprise the planning processes for the OIB program.

**OIB Program Technical Assistance Provided to ORSC during the Review Process**

**RSA provided OIB program technical assistance to ORSC during the review process regarding:**

- The need for written OIB policies and procedures.

**Observations of ORSC and Its Stakeholders about the Performance of the OIB Program**

RSA solicited input from ORSC/BVI, NFB and its stakeholders about the performance of the OIB program. The ORSC/BVI and its stakeholders shared the following observations:

- The need for more OIB services across the state.
- The need for more accessible transportation.
- The need for more senior OIB staff.

**OIB Compliance Findings**

RSA identified the following compliance findings and corrective actions that ORSC is required to undertake. ORSC 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 ORSC.

1. OIB Policies and Procedures

Legal Requirement: 34 CFR 367.4, Applicable regulations, applies 34 CFR 364.56(a) to the OIB program. Section 364.56(a) states, "General provisions. The State plan must assure that each service provider will adopt and implement policies and procedures to safeguard the confidentiality of all personal information, including photographs and lists of names."

Finding: Discussion with OIB Administration indicates there are no written policies and procedures concerning the confidentiality of personal information.

Corrective Action 1: ORSC must adopt and implement policies and procedures that safeguard the confidentiality of personal information for individuals receiving services through the OIB program. In order to meet this requirement the policies and procedures must be in writing and must meet the requirements of 34 CFR 364.56. ORSC may want to consider including such policies and procedures in a manual that covers other aspects of the OIB program. RSA will refer the ORSC to other states for acceptable examples of OIB policies and procedures.
CHAPTER 6: PROGRESS ON ISSUES RAISED IN PREVIOUS REVIEWS OF ORSC

As a result of the RSA review conducted with ORSC in FY 2004, the agency developed a Corrective Action Plan (CAP). A summary of the progress that ORSC has made on the CAP is described below.

Corrective Action Plan

Through the implementation of its CAP, ORSC has successfully resolved compliance findings related to the following topics:

- identification and description of individuals’ VR needs;
- establishment of eligibility within mandated time standards;
- assurance that the IPE includes all services necessary to achieve an employment outcome;
- documentation establishing that the employment outcome achieved is satisfactory to the individual and to the VR counselor and that these parties agree that the individual is performing well on the job;
- documentation establishing that the individual’s wage and level of benefits are not less than that customarily paid by the employer for the same or similar work performed by non-disabled individuals;
- documentation ensuring that the employment outcome, services to be provided and selection of providers for those services are consistent with the consumer’s informed choice as well as their unique characteristics and vocational rehabilitation needs;
- documentation ensuring that provision of services is based upon the rehabilitation needs of the individual;
- use of arbitrary limits on service provision;
- written policies governing the provision of services for individuals with disabilities - out-of-state services;
- written policies governing the provision of services for individuals with disabilities – duration of services;
- written policies governing the provision of services for individuals with disabilities – absolute dollar limits; and
• participation of individuals in cost of services based on financial need.

ORSC has not successfully resolved compliance findings related to the following topics and continues to work toward their resolution.

1. **Indication that the IPE employment goal is consistent with the individual’s unique strengths, resources, priorities, concerns, abilities, capabilities, career interest, and informed choice:**

ORSC mandated the use of form RSC-0500-Comprehensive Assessment to document an individual’s characteristics, informed choice, and participation. In addition, training has been provided to all staff at the annual Quality and Compliance Education Days (QCED), which was conducted regionally in FY 2006 and FY 2007.

**Status:** ORSC’s FY 2008 first quarter quality assurance report indicated that 67 percent of reviewed cases contained the counselor’s narrative regarding employment outcome justification. This is below the 90 percent compliance standard.

2. **Response to referrals within 10-14 days:**

In March 2006, ORSC issued a case development timeline policy that clearly establishes concrete timeframes for all steps of the process from referral through IPE development. The timeframes outlined in the policy are the maximum limits for each step. Further, RSC-0040-Time Extension for IPE Development was developed and issued in FY 2006. Training was provided at each of the QCEDs in spring 2006 and 2007.

**Status:** ORSC’s FY 2008 first quarter quality assurance report indicated a 28 percent compliance rate. This is below the 90 percent compliance standard.

3. **Case documentation to indicate that the employment outcome achieved is consistent with the employment goal on the IPE and that this outcome is consistent with the individuals’ unique characteristics and informed choice:**

In FY 2006, ORSC pursuant to written policy, began mandating use of form 0500-Comprehensive Assessment Summary. Training was provided at each of the QCEDs in spring 2006 and 2007.

**Status:** ORSC’s FY 2008 first quarter quality assurance report indicated that 82 percent of reviewed cases contained the counselor’s narrative regarding employment outcome justification. This is below the mandated 90 percent compliance standard.
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 supported employment 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”