FISCAL YEAR 2009
MONITORING REPORT ON THE
VOCATIONAL REHABILITATION AND
INDEPENDENT LIVING PROGRAMS
IN THE STATE OF
MASSACHUSETTS

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

NOVEMBER 2, 2009
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EXECUTIVE SUMMARY

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

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

MASSACHUSETTS ADMINISTRATION OF THE VR, SE, IL AND OIB PROGRAMS

Massachusetts (MA) has two separate agencies, the MA Rehabilitation Commission (MRC) a general agency and the MA Commission for the Blind (MCB); while both agencies are located in the Office of Health and Human Services, each agency is its own designated state agency (DSA).

MRC, operating as an Independent Commission, serves as the designated state agency for the purpose of providing VR and SE services to individuals with disabilities, except those individuals who are blind. MRC administers a majority of the Part B IL funding in MA. Massachusetts is a 123 state with most of the funding for the Independent Living Services (ILS) program provided by the State legislature.

MCB, also an independent commission, is the designated state agency for the purpose of providing VR and SE services to individuals who are blind. In addition, MCB has primary responsibility for the administration of the OIB program and a portion of the Part B IL funds in the state.

MRC’S PERFORMANCE OVER THE PAST FIVE YEARS

MRC’s employment rate remained at 52 percent from FY 2003 through FY 2007. During this period, the number of new applicants increased by 3,306 individuals, from 8,759 in FY 2003, to 12,065 in FY 2007. The number of individuals served by MRC through the VR program increased from 21,374 individuals in FY 2003, to 23,098 individuals in FY 2007. In FY 2003, the average hourly earnings for individuals who achieved employment through the VR program were $11.37. In FY 2007, this figure had increased to $11.91.

Of those individuals who achieved an employment outcome, the number who achieved a supported employment outcome increased by 66 individuals during this period, from 141 to 207 individuals. The average hourly earnings for individuals who achieved a supported employment outcome decreased slightly from $9.15 to $9.06.
STRENGTHS AND CHALLENGES:
RSA identified the following programmatic strengths that contributed to MRC’s high or improved performance as well as the challenges MRC faces in its efforts to improve its performance.

Strengths:
- MRC’s Research and Development Division studies the VR program performance.
- The experience and expertise of MRC’s staff is a valuable agency resource.
- MRC’s supported employment program is managed as a separate department within the Title 1 program with access to funding for extended services for individuals who do not qualify for long term supports.

Challenges:
- MRC administers its order of selection process in a manner that assigns 97% of eligible individuals to Category 1, which results in persons waiting to receive services.
- MRC does not develop Individualized Plans for Employment in a timely manner, leading to further delays in the provision of services.
- MRC experienced a loss of 55 VR counselors from FY 2005 through FY 2007, and has been unable to replace these employees due to a statewide hiring freeze.
- MRC needs to enhance the current data management and quality assurance system in order to better predict, identify and address issues related to the timely delivery and quality of services.
- The SRC is not fully constituted, affecting its ability to carry out its mandated functions.
- MRC needs to better distribute costs across programs when they benefit one or more grant or cost objective. The current process makes it difficult for the agency to determine the resources available among the programs it operates.

MCB’S PERFORMANCE OVER THE PAST FIVE YEARS
MCB experienced a decline in certain performance indicators from FY 2003 to FY 2007. The agency’s employment rate has decreased by 14 percent, from a high of 82 percent in FY 2003, to 68 percent in FY 2007. During this period, the number of new applicants for VR services decreased by 89 individuals, from 363 to 274. The number of individuals served, decreased by 51, from 1,345 in FY 2003, to 1,294 in FY 2007. In addition, the average hourly earnings for those individuals who achieved an employment outcome, excluding homemaker and unpaid family worker decreased from $19.29 in FY 2003, to $18.02 in FY 2007, a difference of $1.28.

RSA identified coding errors in the SE data for FY 2003 through FY 2007, that have resulted in the very low numbers reported ranging from zero to only two outcomes each year during this period.
STRENGTHS AND CHALLENGES:

RSA identified several programmatic developments and initiatives that will contribute to MCB’s improved performance in the future, as well as the challenges it faces in its efforts to improve its performance.

Strengths:

- The new leadership at MCB has improved the level of communication with staff, renewed its focus on assisting individuals to obtain high quality employment and increased collaboration with the business community, advocacy groups and CRPs.
- The agency’s transitioning-age youths program provides internships in a wide range of vocations in both the private sector and state government.
- MCB’s OIB program provides statewide peer support services which enables consumers to share basic techniques for coping with blindness.

Challenges:

- MCB needs to focus on increasing competitive employment outcomes and decreasing homemaker outcomes.
- The agency needs to review and update its VR program policies and procedures and provide training to staff to ensure their consistent implementation throughout the state.
- The agency’s staff requires training related to the definition, documentation and correct coding of SE services and outcomes.
- MCB needs to develop more policies and procedures for monitoring the OIB program.
- MCB has not conducted periodic certifications for employees working solely on one federal grant program or cost objective, making it difficult for the agency to determine the staff time allocated to each program.
**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;
- identifies strengths, areas of consistently high performance, areas of improved performance, challenges and areas of performance that need to be improved;
- recommends strategies to improve performance;
- requires corrective actions in response to compliance findings; 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 MCB’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; and
- the assurances that MCB made to RSA in conjunction with its FY 2007 state plan.

**APPRECIATION**

RSA wishes to express appreciation to the representatives of MRC, MCB, the SILC, SRCs, and stakeholders who assisted the RSA monitoring team in the review of MRC and MCB VR and IL programs in the state of MA.
CHAPTER 1:
RSA’S REVIEW PROCESS

DATA USED DURING THE REVIEW
RSA’s data collections are finalized and available at different times throughout the year. RSA’s review of MRC and MCB began in the fall of 2008 and ended in the summer of 2009. When FY 2008 data became available toward the end of the review period, and if these data signaled a significantly different level of performance than the previous five-year trend, RSA included the FY 2008 data in the report. Otherwise, this report relies primarily on RSA’s FY 2007 data collections as the most recent source of data about MRC and MCB’s performance.

REVIEW PROCESS ACTIVITIES
During the review process, the RSA MA state team:

- gathered, shared, and reviewed information regarding each program’s performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders;
- provided technical assistance during the review process;
- identified areas of consistently high performance and areas of improved performance;
- identified promising practices;
- identified performance areas for improvement and recommended that MRC and MCB undertake specific actions to improve their performance; and
- identified issues for further review.

RSA MASSACHUSETTS STATE TEAM REVIEW PARTICIPANTS
Members of RSA’s MA state team included representatives from each of the five functional units within RSA’s State Monitoring and Program Improvement Division. The RSA review team was made up of the following individuals: Thomas Macy, state liaison, and Regina Luster (Fiscal Unit); James Billy, team leader for the MRC review, and Janette Shell (Technical Assistance Unit), David Wachter, team leader for the MCB review, and Lawrence Vrooman (Vocational Rehabilitation Program Unit); Yann-Yann Shieh (Data Collection and Analysis Unit); and Elizabeth Akinola (Independent Living Unit).

INFORMATION GATHERING
During FY 2009, RSA began its review of MRC and MCB by analyzing information including, but not limited to, individual agency annual report, various data collections, the MRC, MCB, VR and IL state plans. After completing its internal review, the RSA team carried out the following
information gathering activities with MRC and MCB and stakeholders in order to gain a greater understanding of MRC’s and MCB’s strengths and challenges:

- conducted nine teleconferences with VR and IL stakeholders beginning in November, 2008;
- conducted 12 group and individual teleconferences with the MRC and MCB management beginning in November, 2008;
- conducted teleconferences with MRC, IL staff and MRC’s SRC;
- conducted teleconferences with MCB’s SRC, OIB staff and the SILC;
- conducted an on-site monitoring visit from March 9 through March 13, 2009 and met with field staff, supervisors, and managers of MRC, the Client Assistance Program, the Protection and Advocacy system, directors of centers for independent living (CIL’s), IL counselors, OIB counselors, members of the RC, staff of the DHS, as well as a number of local and state level partners of MRC; and
- conducted an on-site monitoring visit from March 30, 2009 through April 3, 2009 and met with field staff, supervisors, and managers of the MCB, the Client Assistance Program, the Protection and Advocacy System, OIB counselors and supervisors, members of the SILC and SRC, as well as a number of local and state level partners.
CHAPTER 2:
MRC VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

The following table provides data on MRC’s VR and SE programs performance in key areas from FY 2003 through FY 2007.

<table>
<thead>
<tr>
<th>Massachusetts Rehabilitation Commission</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>$52,821,722</td>
<td>$55,955,791</td>
<td>$55,150,447</td>
<td>$55,980,643</td>
<td>$59,290,002</td>
</tr>
<tr>
<td>Individuals whose cases were closed with employment outcomes</td>
<td>2,710</td>
<td>3,093</td>
<td>3,400</td>
<td>3,650</td>
<td>3,871</td>
</tr>
<tr>
<td>Individuals whose cases were closed without employment outcomes</td>
<td>2,490</td>
<td>1,992</td>
<td>2,056</td>
<td>2,298</td>
<td>3,499</td>
</tr>
<tr>
<td>Total number of individuals whose cases were closed after receiving services</td>
<td>5,200</td>
<td>5,085</td>
<td>5,456</td>
<td>5,948</td>
<td>7,370</td>
</tr>
<tr>
<td>Employment rate</td>
<td>52.12%</td>
<td>60.83%</td>
<td>62.32%</td>
<td>61.37%</td>
<td>52.52%</td>
</tr>
<tr>
<td>Individuals whose cases were closed with supported employment outcomes</td>
<td>141</td>
<td>161</td>
<td>155</td>
<td>215</td>
<td>207</td>
</tr>
<tr>
<td>New applicants per million state population</td>
<td>1,362.21</td>
<td>1,676.17</td>
<td>1,840.31</td>
<td>1,932.14</td>
<td>1,870.54</td>
</tr>
<tr>
<td>Average cost per employment outcome</td>
<td>$2,437.08</td>
<td>$2,511.86</td>
<td>$2,485.33</td>
<td>$2,469.00</td>
<td>$2,740.92</td>
</tr>
<tr>
<td>Average cost per unsuccessful employment outcome</td>
<td>$1,916.40</td>
<td>$1,740.84</td>
<td>$1,597.52</td>
<td>$1,507.65</td>
<td>$1,670.09</td>
</tr>
<tr>
<td>Average hourly earnings for competitive employment outcomes</td>
<td>$11.37</td>
<td>$11.31</td>
<td>$11.35</td>
<td>$11.69</td>
<td>$11.92</td>
</tr>
<tr>
<td>Average state hourly earnings</td>
<td>$22.27</td>
<td>$23.22</td>
<td>$23.96</td>
<td>$24.89</td>
<td>$26.21</td>
</tr>
<tr>
<td>Percent average hourly earnings for competitive employment outcomes to state average hourly earnings</td>
<td>51.06%</td>
<td>48.71%</td>
<td>47.37%</td>
<td>46.97%</td>
<td>45.48%</td>
</tr>
<tr>
<td>Average hours worked per week for competitive employment outcomes</td>
<td>29.23</td>
<td>28.71</td>
<td>28.43</td>
<td>28.03</td>
<td>28.22</td>
</tr>
<tr>
<td>Percent of transition age served to total served</td>
<td>23.15%</td>
<td>25.68%</td>
<td>24.19%</td>
<td>24.33%</td>
<td>25.39%</td>
</tr>
<tr>
<td>Employment rate for transition population served</td>
<td>53.07%</td>
<td>63.02%</td>
<td>65.23%</td>
<td>64.62%</td>
<td>51.79%</td>
</tr>
<tr>
<td>Average time between application and closure (in months) for individuals with competitive employment outcomes</td>
<td>35.7</td>
<td>38.4</td>
<td>34.6</td>
<td>31.5</td>
<td>30.2</td>
</tr>
<tr>
<td>Performance on Standard 1</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Performance on Standard 2</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
</tbody>
</table>
VR AND SE SERVICE DELIVERY

The Massachusetts Rehabilitation Commission (MRC) is divided into three divisions: Vocational Rehabilitation, Community Services and Disability Determination, with the Employment Services Office (ESO) designated to manage SE services located in the vocational rehabilitation division. MRC administers three district offices and 25 area offices covering 14 counties across the state.

In most of the 25 MRC offices, the counselors carry caseloads of 130 or more, with some serving as many as 200 consumers due to staff shortages as a consequence of state required staffing CAP. Nearly all VRCs are generalist with a level of experience and expertise in working with a specific disability group. In all of MRC’s field offices, counselors are assigned to one or more high schools and serve as the point of contact for transition-age youths in that high school. In their role as the MRC representative, the VRC is expected to develop relationships with the school transition team and with the students who have been referred to MRC. The VRCs start attending the IEP meetings during the student’s junior year or at age16, and at that point the process of developing an IPE and transitioning the student to adult services after graduation.

MRC counselors purchase from the 170 CRPs located throughout the state. CRP services include comprehensive vocational assessments, pre-employment training in soft skills, and specialized training for entry level employment, job development and job placement services. While some CRPs serve nearly all disability groups, most are specialized and work with the one or two disability groups the most common being the intellectually disabled, individuals with a significant mental health disability and transition-age youths.

MRC has a unique way of implementing the Title VI Part B funds, through a separate department within the title 1 program. SE is managed by the ESO. The office has 11 employees, two administrators and a program coordinator. All persons requiring SE services are referred to ESO to assure the consumer receives comprehensive services by highly qualified providers. ESO is responsible for making the determination for eligibility for SE services, verifying, and ensuring long term funding for extended support services and monitoring the performance of the CRPs that provide job development, placement and long-term follow along services. All placements are community based placements in an integrated environment with an hourly wage equal to or above MA’s minimum wage law. Group placements and mobile enclaves are not approved as SE placements.

ESO can provide the funding for long-term support services for individuals who do not have alternative funding, or the funding will be delayed because of temporary fiscal shortages at the state agency. The funding source for ESO to provide long-term support came about with the changes in the 1998 reauthorization of the Act that discontinued sheltered employment as an employment outcome for individuals with disabilities. Because of this change, Massachusetts closed the state-run sheltered employment workshops, known as the Extended Employment Program (EEP). The MRC Commissioner transferred oversight of this program to ESO, which then negotiated with the State to reallocate the EEP funds for services to individuals who were in a supported employment plan and did not have long-term funding for support services.

Over the past ten years, ESO has gradually increased its resources for the funding of long-term support services. At the time of the review, ESO was supporting 380 individuals in an SE plan by contracting services with CRPs located throughout the state. ESO closely monitors each CRP contract for the provision of SE services through the review of monthly data and narrative
reports completed by the CRPs, and they conduct monthly on-site visits to evaluate the provision of services, to ensure their capacity to provide services, to discuss barriers to individuals who are not succeeding and to review documentation for accuracy.

MRC has been on an Order of Selection (OOS) since 1977. MRC has three categories, but management indicated that only individuals assigned to Category 1 receive services. According to agency management historically approximately 85 percent of the applicants are determined eligible and of those individuals nearly all are placed in Category 1. Individuals assigned to Category 1 must wait six months before being selected to receive services by date of application.

**Personnel**

- 253 VR counselor with approximate caseloads of 130 each;
- staff breakdown:
  - administration & supervisors 131 (29 percent)
  - counselors 253 (57 percent); and
  - support Staff 62 (14 percent);
- administrative staff increases from 68 in FY 2005, to 128 in FY 2006;
- counselor staff decreases from 308 in FY 2005, to 252 in FY 2006; and
- support staff decreases from 97 in FY 05 to 85 in FY 2006, and 62 in FY 2007.

MRC utilizes the Commonwealth's Human Resource Compensation Management System (HRCMS) to manage its personnel data. In conjunction with the HRCMS, the Commission has a designated comprehensive system of personnel development (CSPD) database to monitor individual employee academic credentials and qualifications as related to the requirements of MRC’s CSPD standard for VR counselors. Under this standard, entry level VR counselors performing non-delegable functions must have a minimum of a master's degree in Rehabilitation Counseling, or a master's degree in an approved related field with the completion of graduate coursework in each of five designated Rehabilitation Core Knowledge areas. According to the MRC FY 2009 State Plan, 235 of 271 (86.7 percent) VR counselors meet the standard. The remaining 36 counselors are currently enrolled in approved plans to attain the required academic credentials.

Overall, turnover within MRC has traditionally been around five to seven percent overall and slightly higher for VR counselors. MRC has access to several CORE accredited programs in MA who can provide a large source of well trained staff. This has allowed MRC to focus on hiring staff that have specialized skills, such as speaking a foreign language or being competent in American Sign Language. Under those circumstances MA may hire VR counselors below the CSPD standard and require that they enter into and complete a plan to achieve the standard with an agreed upon date for plan completion.

**Data Management**

MRC’s data and case management system is called the Massachusetts Rehabilitation Commission Information System (MRCIS). The MRCIS is a comprehensive caseload
management application designed to assist vocational rehabilitation counselors and support staff that manage and document casework activities and tasks. The MRCIS is 15 years old and utilizes the Microsoft Structured Query Language, (SQL) server 2000 database management system to store, manage, process and maintain the case records. The MRCIS was developed, field-tested and implemented by MRC staff for MRC staff. As such, it has been designed to meet the current needs of VR professionals in their caseload management as performed within the MRC.

The MRCIS allows each area office to access its case data stored in a centralized location at the administrative office. MRCIS is not an integrated system. It does not produce task reminders to counselors via Outlook, for example. Under the current system, VR counselors are not able to track time lines such as consumers’ eligibility due date and IPE due date. However, counselors can read due date reports generated by MRCIS case management system or construct them by hand from hard copy service records.

Quality Assurance

Although MRC does not have a comprehensive manual of its quality assurance measures it has developed several components of such a system, including:

- procedures for the monitoring of supported employment and VR service providers;
- the evaluation of the performance and utilization of contract funds by service providers;
- evaluation of EHS Results VR Performance Measures, (Web-based performance outcome system);
- the use of consumer needs and satisfaction survey;
- the research of best practices using data analysis;
- comprehensive case review policy and written case review procedure
- evaluation of counselor and office performance with respect to achievement of employment outcomes; and
- the maintenance of a list of “qualified” service providers and use of contract coordinators to review provider performance.

To ensure that the service delivery system is meeting the needs of consumers and number the strategic goals of the agency, MRC also tracks waiver requests and consumer complaints and has developed a regular schedule for the review and possible revision of policies and procedures.

Though much of the emphasis of MRC’s quality assurance efforts appear to be focused upon the achievement of employment outcomes, other quality measures include annual internal case reviews and consumer satisfaction and needs findings which are incorporated into the state planning process.

Planning

The MRC has a plan with specific content for future initiatives and has a combined vision and mission statement incorporating a statement of agency values (personal choice and risk-taking for independence and employment) that is posted on the agency website. The SRC indicates that it has an annual planning session with MRC to address agency philosophy, direction and improvements.
MRC has established an MRC Workforce Planning Committee to build upon MRC’s retirement risk analysis by conducting a survey of employee career objectives, documentation of career ladders and discussion of a mentoring program. In addition, MRC is participating in a pilot workforce planning project led by the state of Massachusetts Human Resource Division.

**VR and SE Programs Technical Assistance Provided to MRC During the Review Process**

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

- the agency’s implementation of an order of selection;
- policy development and planning;
- the determination of eligibility;
- the requirement for a successful employment (26) closure including 90 days of successful employment;
- the guidelines concerning the provision of services to individuals on the waiting list;
- content of the SRC Annual Report; and
- Identification of the severity of functional limitations for individuals with learning disabilities.

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

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

- VR counselors use “failure to cooperate” in some cases when the case record supports “unable to benefit” as reason for closure;
- all reasons to be addressed in a fair hearing should identified in the notification;
- MRC offers mediation as an option to a fair hearing;
- OOS needs to be enhanced to make sure the most significantly disabled are served in a timely manner; and
- significant staff reductions of nearly 50 percent over the past ten years have become a barrier to timely service delivery for the most significantly disabled and management of large caseloads (over 130) impair the quality of services and lower staff morale.

RSA discussed the observations of its stakeholders with MRC and addressed as many of them as possible either directly or by consolidating them into a broader issue area.
VR AND SE PERFORMANCE OBSERVATIONS AND RSA RECOMMENDATIONS

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

1. Implementation of the Order of Selection

Observation: Through the implementation of its order of selection, MRC places the vast majority of individuals found eligible for services in Priority Category 1. As a result, everyone is placed on a waiting list before receiving services.

- A VR agency that determines that it does not have the financial and/or staff resources to serve all eligible individuals in the state must develop an order of selection to ensure that individuals with the most significant disabilities are given priority in the provision of services, in accordance with the regulations found at 34 CFR 361.36(d)(1), establishing an order of selection.

- In FY 1999, MRC established written policies to implement an order of selection. These policies define three categories for the provision of services as follows:
  - Priority Category 1: This individual is an individual with a most significant disability because he/she has a significant physical or mental impairment which seriously limits three or more functional capacities in terms of an employment outcome and whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time;
  - Priority Category 2: This individual is an individual with a significant disability because he/she has a significant physical or mental impairment which seriously limits at least one functional capacity in terms of an employment outcome;
  - Priority Category 3: This individual is an individual with a disability but is neither an individual with a most significant disability nor an individual with a significant disability.

- According to the agency’s FY 2009 state plan, all three categories have remained closed since January 15, 1999. Individuals assigned to Category 1 are placed on a waiting list for a period of six months, at which time they receive services by date of application. Individuals assigned to Categories 2 and 3 have not been selected to receive services from the waiting list since the implementation of the order of selection on January 15, 1999.

- MRC management indicated during the review that historically VR counselors have assigned the vast majority of individuals found eligible for services to Category 1, despite the narrow definition of this category that requires the individual to have at least three functional limitations. On July 31, 2009, MRC provided data to RSA indicating that from the beginning of FY 2009 to that date, the agency had assigned a total of 8,571 individuals to the three categories as follows:
  - 8,478 individuals to Category 1 (98.9 percent);
• 59 individuals to Category 2 (0.007 percent); and
• 34 individuals to Category 3 (0.004 percent).

- An increasing number of individuals have applied for services from MRC between FY 2004 and FY 2007, representing an increase of 15.74 percent during this period. At the same time, an increasing number of individuals have been placed on the waiting list for services, representing an increase of 25.22 percent from FY 2004 through FY 2007. By the end of FY 2007, 13,757 individuals applied for services from MRC and 11,763 (85.5 percent) of the applicants were on a waiting list for services (see Table 2.2 below).

### Table 2.2
**MRC Number of Applicants and Individuals on Waiting List from FY 2003 through FY 2007**

<table>
<thead>
<tr>
<th>Case Status Information</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>% Change FY 04-FY 07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Applicants</td>
<td>13,009</td>
<td>14,157</td>
<td>14,732</td>
<td>13,757</td>
<td>+15.74%</td>
</tr>
<tr>
<td>Total Individuals on OOS</td>
<td>9,394</td>
<td>9,890</td>
<td>11,742</td>
<td>11,763</td>
<td>+25.22%</td>
</tr>
</tbody>
</table>

- Based on these data, MRC has experienced a growing demand for its services. As a result, the agency has placed an increasing percentage of individuals applying for services on its waiting list, most of who are assigned to Category 1. With such a large percentage of individuals being placed into Category 1, MRC has instituted an order of selection that does not allow anyone to receive services immediately after being determined eligible. MRC’s order of selection is inconsistent with the principle underlying the implementation of such an order, i.e., providing a priority to those individuals with the most significant disabilities. If nearly 95 percent of all eligible individuals are individuals with the most significant disabilities, then in effect, very few individuals are given the priority that the order of selection was intended to provide.

**Recommendation 1: RSA recommends that MRC:**

1.1 conduct an analysis to determine if eligible individuals are properly assigned to the priority categories for the provision of services, particularly Category 1;

1.2 based on the results of this analysis, determine if the priority categories need to be redefined to ensure that individuals with the most significant disabilities are given priority in the provision of services; and

1.3 provide training to staff to assure accurate and consistent assignment of eligible individuals to the priority categories, particularly Category 1.

**Agency Response:** MRC will conduct an analysis of OOS assignments and will utilize these findings to determine the best strategy to address this issue.
**Technical Assistance:** MRC is not requesting technical assistance.

**2. Quality Assurance:**

**Observation:** Improvements in MRC’s quality assurance system are required, so that the agency can better assess the structure and functioning of the service delivery system, identify points of vulnerability and failure, and achieve its strategic goals.

Through staff interviews, RSA learned that MRC seems to focus quality assurance efforts upon achievement of employment outcomes with less emphasis on such quality measures as the timely delivery of services and whether the services being delivered are meeting consumer vocational rehabilitation needs. With such emphasis, pressure to produce employment outcomes may negatively impact the quality of those outcomes.

For example, MRC could adapt the quality assurance system developed for the supported employment program to community service providers in all programs. That system incorporates onsite monitoring and evaluation of the provider’s capacity to provide services as well as the quality of the services provided. One measure of quality is the provider’s record in assisting a consumer to maintain employment.

While MRC generates data through required data collection, reporting, and independent studies, the utilization and analysis of such data is not sufficient. MRC’s analysis of data did not identify case flow difficulties, particularly those related to the untimely development of IPEs.

In addition, RSA’s review determined that in FY 2007, 43.1 percent of MRC consumers had achieved an employment outcome in 90 days of the date of their IPE or less, with nine percent of those having the same IPE date and case closure date. Nationally, only 11.8 percent of individuals served by general agencies achieve an employment outcome in 90 days or less.

During the review process, MRC acknowledged errors in the reporting of data by using the date of an IPE amendment, if one existed, rather than the date of the original IPE. This data collection error may explain the 9 percent of cases closed in which individuals achieved employment outcomes on the same date as the IPE, but does not address all other closures with employment outcomes occurring in 90 days or less from the date of the IPE.

As a result of the monitoring, RSA found that MRC’s routine review and analysis of its case records data and case record reviews should have identified these performance issues and given MRC the opportunity to address them.

Field staff indicated that results of workgroups and central office studies evaluating service delivery are not used by state office management for quality assurance or strategic purposes.

**Recommendation 2:** To develop and implement a comprehensive quality assurance system that is transparent and provides data on all aspects of the service delivery system that are used in evaluating the agency’s performance and its capacity to meet the needs of individuals to achieve employment outcomes, RSA recommends that MRC:

2.1 develop, implement and describe in writing a quality assurance system to assess the structure and functioning of the service delivery system, identify points of vulnerability and failure, and to achieve the strategic goals of the agency;

2.2 implement standards and programmatic monitoring to compliment fiscal monitoring as part of a quality assurance program for all service providers;
2.3 routinely analyze service delivery data, products from workgroups and other relevant information;
2.4 improve quality assurance processes to ensure accurate reporting of RSA-911, RSA-113 and RSA-2 data; and
2.5 provide a written report of results to stakeholders and the general public.

Agency Response: MRC conducts annual internal case reviews. In addition its electronic case management system (MRCIS) generates reports such as “Time in Status Reports” that can be viewed by all staff and used to monitor case flow. In addition a monthly “Real Time Status ’02 report is generated and distributed to the local offices so that each office has a month by month overview of their progress in conducting eligibilities in a timely manner. MRC will develop and deploy a written quality assurance plan and reporting to enhance existing on-going monitoring practices.

Technical Assistance: MRC is not requesting technical assistance.

3. Dual Case Management System

Observation: The quality and integrity of MRC’s data is negatively impacted by the practice of maintaining both a paper and electronic case management system combined with insufficient edit checks that allow for backdating certain dates within the CSM. In some offices, long tenured staff preferred to conduct many case management activities utilizing the paper file system until data was required to be entered into the electronic CMS for the purpose of status change or case closure. RSA observes that these factors render the utilization and analysis of such data insufficient, as well as contribute to the conflicting data regarding time between initial development of the IPE and case closure.

Recommendation 3: RSA recommends that MRC develop a plan for training to ensure all staff uses the electronic CMS, while eliminating the use of paper files to the maximum extent possible.

Agency Response: MRC will develop a written staff training plan for the new MRCIS CMS with a focus on eliminating the use of paper files to the maximum extent possible.

Technical Assistance: MRC is not requesting technical assistance.

4. Roles and Responsibilities of the SRC

The MRC SRC Annual Report for FY 2008 reflects significant involvement of the SRC in policymaking, developing and evaluating the state plan and other mandated functions in partnership with MRC. It appears from the report that the work of the council is done by SRC committees. The annual report also includes items from each of the standing committees as well as two local advisory councils and the MRC recommendations to the agency regarding the state plan. RSA attended a portion of the March 12, 2009 meeting of the MRC SRC. The agenda for this quarterly meeting consisted of the following items in addition to standard meeting items:

- a state legal ruling on ethics with implications for all state boards and councils; MRC commissioner’s update;
- a question and answer session with RSA; and
• an “open mike” session.

Committee reports were not listed as agenda items for the meeting and there were no reports from the three standing SRC committees. The five SRC task forces had no reports, but did make announcements about events of interest to individuals with disabilities around the state.

**Observation:** It is RSA’s observation that the work of the MRC SRC is primarily or solely conducted by its committees. RSA could not determine from the FY 2008 Annual Report, attendance at the March 2009 meeting or from the January conference call with SRC members that the full council takes action on committee recommendations or if committees take action on behalf of the council. Further, RSA could not determine that the SRC involvement in these committees is truly advisory and contributory in nature.

It is also RSA’s impression, based on observations at the March 2009 meeting and the January 2009 conference call, that MRC SRC members do not have a clear and accurate understanding of their roles and responsibilities, in part due to the many newly appointed members. SRC members also identified this as a concern. When RSA asked at the March meeting about the number of individuals completing the online SRC tutorial, two persons raised their hands. Data collected from the SRC online tutorial indicates that of 21 people from MA who viewed or participated in the training, 5 people actually completed all modules. The MRC SRC has a total of 20 members.

**Recommendation 4:** RSA recommends that the MA SRC:

4.1 encourage or require its voting and ex-officio members to complete all modules of the SRC online training;

4.2 apply the knowledge gained from training to an examination of the council’s current functioning and re-define its roles and practices where necessary; and

4.3 based on the knowledge gained from training and the guidance contained in CM 96-04 *Annual Report of the State Rehabilitation Advisory Council* (November 20, 1995), revise the content for its future annual SRC reports to address each of the council’s mandated functions, including that the council in its entirety performs those functions.

**Agency Response:** MRC will develop a plan to require that voting and ex-officio members complete all modules of the SRC on-line training to assist the council by applying the knowledge gained from the training to assist in the examination of current roles and functioning. The council will revise content for its future annual SRC reports that address each of the mandated functions.

**Technical Assistance:** MRC is not requesting technical assistance.

**VR AND SE COMPLIANCE FINDINGS AND CORRECTIVE ACTIONS**

RSA identified the following compliance findings and corrective actions that MRC is required to undertake. MRC must develop a corrective action plan for RSA’s review and approval that includes specific steps the agency will take to complete the corrective actions, 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 MRC.
1. Providing Services to Individuals on the Waiting List

Legal Requirement: 34 CFR 361.36 (a)(3)(A) and (B). (A) In accordance with criteria established by the state for the order of selection, individuals with the most significant disabilities will be selected first for the provision of vocational rehabilitation service; and (B) Individuals who do not meet the order of selection criteria will have access to services provided through the information and referral system established under Sec. 361.37.

§361.37 Information and Referral Services.

(a) General provisions. The State plan must assure that--

(1) The designated State agency will implement an information and referral system adequate to ensure that individuals with disabilities, including eligible individuals who do not meet the agency's order of selection criteria for receiving vocational rehabilitation services if the agency is operating on an order of selection, are provided accurate vocational rehabilitation information and guidance (which may include counseling and referral for job placement) using appropriate modes of communication to assist them in preparing for, securing, retaining, or regaining employment;

Finding:

As indicated in Section 361.36 and 361.37 of the VR program implementing regulations, individuals who do not meet the agency’s criteria for priority of services under the order of selection can receive only information and referral services, which can include counseling and guidance. MRC is not in compliance with these regulations because it provides services beyond those permitted by Sections 361.36 and 361.37 to individuals who are on the waiting list for services.

According to MRC’s implementation of the OOS, consumers are able to join the MRC job club where they are able to receive “no cost services” that include:

- additional vocational assessments related to an individual’s job skills and not for the purpose of determining eligibility or the assignment to a priority category;
- trial work experiences;
- resume and interviewing skill development; and
- volunteer work assignments.

These services cannot be deemed to be in the nature of informational and referral services or counseling and guidance, as indicated by the guidance to the 1997 regulations.

Corrective Action 1: MRC must:

1.1 immediately discontinue the provision of pilot “no cost” services to individuals on the waiting list; and

1.2 provide guidance to agency staff to ensure that individuals on the waiting list are not provided services other than information and referral services.
Agency Response: MRC ended the time limited pilot of services to individuals on the waiting list immediately upon RSA’s advice. The MRC policy department will continue to provide guidance to staff to ensure individuals on the waitlist only receive information and referral services.

RSA Response: MRC must provide documentation of the cessation of no-cost service provision to individuals on the waiting list, such as a written instruction to agency staff. In its corrective action plan, MRC must describe the steps it is taking to provide guidance to counselors regarding the provision of information and referral services to individuals on the waiting list.

Technical Assistance: MRC requests technical assistance.

2. Untimely Development of the IPE

Legal Requirement: §361.45 Development of the individualized plan for employment:

(a) General Requirements. The State plan must assure that-

(1) An individualized plan for employment (IPE) meeting the requirements of this section and §361.46 is developed and implemented in a timely manner for each individual determined to be eligible for vocational rehabilitation services or, if the designated State unit is operating under an order of selection in accordance with §361.36, for each eligible individual to whom the State unit is able to provide services;

(2) Services will be provided in accordance with the provisions of the IPE…

(e) The Designated State Unit must establish and implement standards for the prompt development of IPEs for…individuals…, including timelines that take into consideration of the needs of the individuals.

Finding: Pursuant to 34 CFR 361.45(e), MRC has established a timeline of 90 days from the date on which eligibility is determined for the development of the IPE for each individual. RSA finds that MRC was not in compliance with its policy as demonstrated by the following data for FY 2007:

- 26.9 percent of IPEs were developed within 90 days of eligibility compared to 71.7 percent nationally;
- the IPE for 49 percent of the individuals was completed within nine months of eligibility compared to 87.8 percent nationally;
- the IPE for 17.7 percent of the individuals was completed in one to two years from eligibility compared to 4.9 percent nationally; and
- 25.1 percent of the IPEs were developed in excess of two years compared to 4.3 percent nationally.

These data clearly reflect case flow difficulties within the MRC process, particularly the untimely development of IPEs, yet MRC had not identified this as a performance issue or developed a strategy to address it. As a result of the monitoring, RSA found that MRC’s routine review and analysis of its data should have identified these performance issues and given MRC the opportunity to address them.
Corrective Action 2: MRC must take steps to ensure that IPEs are developed in accordance with the agency’s established timeline as required by 34 CFR 361.45(e), including the provision of staff training, and the development of methods of evaluation to ensure that the corrective actions have resolved the compliance finding.

Agency Response: MRC agrees with the corrective action as stated and will develop a training, case record monitoring and reporting plan to ensure IPEs are developed in accordance with agency timelines.

RSA Response: In its corrective action plan, MRC should describe its training plan and the steps it is taking to monitor its case records and reporting to ensure that the finding has been resolved.

Technical Assistance: MRC is not requesting technical assistance.
RSA reviewed MRC’s fiscal management of the VR, SE and IL 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, taken from fiscal reports submitted by the state agencies, speak to the overall fiscal performance of the agency. The data related to matching requirements are taken from the fourth quarter of the respective fiscal year’s SF-269 report. The maintenance of effort (MOE) requirement data is taken from the final SF-269 report of the fiscal year (two years prior to the fiscal year to which it is compared). Fiscal data related to administration, total expenditures, and administrative cost percentage is taken from the RSA-2.

TABLE 3.1
FISCAL PROFILE DATA FOR MRC FOR FY 2004 THROUGH FY 2008

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Massachusetts (G)</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Amount</td>
<td>38,488,010</td>
<td>37,047,616</td>
<td>38,114,514</td>
<td>39,518,244</td>
<td>38,941,864</td>
</tr>
<tr>
<td>Required Match</td>
<td>10,416,704</td>
<td>10,026,864</td>
<td>10,315,618</td>
<td>10,695,535</td>
<td>10,474,292</td>
</tr>
<tr>
<td>Federal Expenditures</td>
<td>38,483,204</td>
<td>37,047,616</td>
<td>38,114,514</td>
<td>39,518,244</td>
<td><strong>38,941,864</strong></td>
</tr>
<tr>
<td>Actual Match</td>
<td>14,785,559</td>
<td>20,001,769</td>
<td>15,540,572</td>
<td>16,354,937</td>
<td>22,517,910</td>
</tr>
<tr>
<td>Over (Under) Match</td>
<td>4,368,855</td>
<td>9,974,905</td>
<td>5,224,954</td>
<td>5,659,402</td>
<td>12,043,518</td>
</tr>
<tr>
<td>Carryover at 9/30 (year one)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Program Income</td>
<td>2,464,498</td>
<td>1,825,977</td>
<td>3,070,807</td>
<td>3,863,472</td>
<td>4,165,738</td>
</tr>
<tr>
<td>Maintenance of Effort (MOE)</td>
<td>14,057,248</td>
<td>13,505,442</td>
<td>15,101,293</td>
<td>14,819,204</td>
<td>15,157,762</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>7,945,722</td>
<td>8,19,6815</td>
<td>8,117,193</td>
<td>8,053,106</td>
<td>8,150,450</td>
</tr>
<tr>
<td>Total Expenditures*</td>
<td>55,955,791</td>
<td>55,150,447</td>
<td>55,980,643</td>
<td>59,290,002</td>
<td>52,941,761</td>
</tr>
<tr>
<td>Percent Admin Costs to Total Expenditures</td>
<td>14.20%</td>
<td>14.86%</td>
<td>14.50%</td>
<td>13.58%</td>
<td>15.40%</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 Basic Support Program, other than for the construction of a facility related to a community rehabilitation program, was established in the 1992 amendments to the Rehabilitation Act at 21.3 percent. As such, a minimum of 21.3 percent of the total allowable program costs charged to each year’s grant must come from non-federal expenditures from allowable sources as defined in program and administrative regulations governing the VR Program. (34 CFR 361.60(a) and (b); 34 CFR 80.24)

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

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

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

Program Income:
Program income means gross income received by the state that is directly generated by an activity supported under a federal grant program. Sources of state VR program income include, but are not limited to, payments from the Social Security Administration 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 MRC During the Review Process**

RSA provided VR, SE and IL program technical assistance to MRC during the review process regarding:

- RSA’s assessment of the agency’s compliance with specific financial requirements, including match, maintenance of effort (MOE), carryover, reallocation, program income, liquidation of outstanding obligations and grant closeout;
- strategic fiscal and program planning to efficiently and effectively expend federal and matching funds for the VR program, the significant increase in reallocated funds that MRC is expected to be able to request and receive, and ARRA (stimulus) funds;
- the completion of federally required SF-269 and RSA-2 financial and statistical reports;
- OMB Circular A-87 time distribution documentation requirements applicable to staff working on more than one program (federal and/or state);
- OMB Circular A-87 semi-annual certification requirement applicable to staff charging 100 percent of their time to one federal grant program;
- development of the resource plan for the SILC, available sources of funds that can be used to support this plan, and allowable costs for federal financial participation;
- the connection to the Innovation and Expansion expenditures reported on the SF-269 and the state plan attachment describing Innovation and Expansion activities and funds used for this purpose;
• federal requirements applicable to the carryover of federal funds that remain unobligated/unexpended after September 30 of the fiscal year for which the funds were appropriated;
• due dates for required financial and statistical reports and the importance of taking appropriate action to ensure the submission of timely and accurate reports;
• strategies to aid in stabilizing non-federal year-end expenditures and to meet the maintenance of effort requirement each fiscal year;
• succession planning activities to prepare for the retirement of key financial staff; and
• accurately reporting administrative costs and Full-time Equivalents (FTEs) on the RSA-2.

VR, SE AND IL PROGRAMS’ FISCAL MANAGEMENT PERFORMANCE OBSERVATIONS AND RSA RECOMMENDATIONS

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

1. Fiscal Planning

Observation: MRC’s financial planning process is not clearly defined and consists mainly of the development of the agency’s budget and subsequent monitoring of expenditures against an approved budget.

From discussions with MRC financial and management staff, there is limited evidence that the agency’s financial planning process is all inclusive and takes the following into consideration:

• resources needed to achieve State Plan and strategic plan goals;
• innovation and expansion activities planned by the agency;
• projected (and potential) federal and state financial resources and funding reductions;
• staffing plans;
• the number of consumers projected to be served each fiscal year;
• the cost of serving these consumers; or
• the projected cost and financial impact of prior year commitments for individualized plans for employment on the resources available in the current fiscal year and future funding periods.

In discussions during the on-site review, fiscal and program staff identified the following issues that may impact the resources available to the agency and will necessitate a structured and long-range approach to financial planning. Without even fully assessing the program impact, fiscally it is projected that the unobligated balances of federal funds (carryover) will increase significantly over the next several federal fiscal years as a result of:
• the significant increase in state appropriated funds for the VR program for FYs 2008 and 2009 will have an impact on the agency’s ability to meet the MOE requirement applicable to FYs 2010 and 2011;
• the agency’s anticipated decline in purchased services;
• MRC’s reduction in VR counselor positions and the inability to hire counselor staff;
• fewer VR counselors writing a smaller number of IPEs, leading to an anticipated decline in purchased services;
• MRC’s ability to request and most likely receive additional federal funds through the reallocation process because of the significant overmatch provided by the state to meet the maintenance of effort requirement applicable to the State VR Services Program; and
• the unknown effect of stimulus funds provided to enhance and increase the provision of VR services in MA that may increase the resources available to provide additional services, or result in reduced non-federal resources, due to permanent reductions in state appropriation, being provided to the VR program.

While both financial and program staffs are aware of the financial position of the agency and the challenges it faces, there is no structured process for the development and implementation of a long-range financial and program plan to address these impending issues.

Recommendation 1: RSA recommends that MRC develop and implement a multi-year financial planning process that, at a minimum, projects:

• anticipated financial resources (federal and non-federal);
• the utilization of available resources, documents the need for additional resources and identifies excess resources;
• administrative (including indirect) expenses;
• staff salaries, fringe benefits and overhead costs;
• innovation and expansion activities;
• state plan goals and strategies; and,
• costs related to providing services to program participants.

This plan should be updated on a regular basis and become a valuable program management tool that is used to improve the agency effectiveness, efficiency and employment outcomes for individuals with disabilities.

Agency Response: The economic outlook for state FYs 2010 and 2011 indicates a continuing downturn in revenue. MRC’s state funding for the VR and IL programs will be dramatically cut. The agency is in the process of aligning its resources to meet its core mission of economic growth and job creation. MRC is embarking on a comprehensive strategic plan that will include a full analysis of all fiscal resources for a three to five year period.

Technical Assistance: MRC is not requesting technical assistance.
2. Independent Living Expenditures

Observation: RSA reviewed the IL Part B and Part C expenditures with the agency staff. Massachusetts is one of two 723 states resulting in the state agency receiving the Part C funds directly to award grants to IL centers. Instead of providing services directly, MRC has made the decision to contract almost half of their Part B funds to the IL Centers to provide needed services to IL consumers. The remaining IL Part B funds are used to fund the SILC’s resource plan.

In discussions with MRC staff, Part B services expenditures reported on financial reports (SF-269s) submitted to RSA are not segregated in State accounting records. All state IL expenditures are coded to a single account and are not further separated by the specific IL Program (Part B or Part C). From reviewing records maintained by MRC it was clear that sufficient allowable expenditures were made each year to account for the federal funds received under IL Part B and IL Part C. However, coding all expenditures to the same account makes it harder to verify the exact use of the funds received under each program.

RSA also discussed oversight responsibilities with MRC staff and found that MRC monitors funds provided to Part C centers on a six-year cycle (two centers per year). There are currently no monitoring processes in place to monitor Part B funds. Expenditures are tracked internally within the IL department. Services are monitored as part of overall fed compliance reviews, and MRC IL department staff review applications and authorize services for 8 of 12 entities. All consumer expenditures for services are approved by MRC for 8 of the 11 centers plus D.E.A.F. Inc. receiving these funds. The remaining 3 centers conduct their own eligibility determinations and expend funds received without the prior approval of MRC.

Recommendation 2: RSA recommends that MRC:

2.1 track expenditures of IL Part B and IL Part C funds in separate accounts to expedite financial and statistical report preparation, financial reviews, and required audits of funds received for both programs; and

2.2 expand IL program monitoring to coordinate review of IL Part B program expenditures with the agency’s review of the IL Part C program.

Agency Response: The agency will conduct a feasibility study for establishing separate accounts for Part B and C funding. The agency has a separate unit code and program code for Part B and C funding that is used to separate expenditures. MRC does track the expenditures separately. MRC agrees that the review of Part B expenditures during Part C program reviews would be a beneficial change. MRC will explore what internal resources are available within the agency to support IL program staff in this area.

Technical Assistance: MRC is not requesting technical assistance.

3. Procurement and Contract Management

Observation: MRC’s contracting process for VR services allows the agency to enter into multi-year contracts with selected vendors. MRC publishes a request for proposals (RFP) and subsequently awards contracts based on the RFP analysis, the services needed, and the costs proposed for providing these services.

Once awarded, MRC and the vendor appear to increase the fees and total amounts of the contracts yearly without returning to the originating RFP or determining that services (as
originally proposed) are still required by consumers and counselors. The originating contract is often ten or more years old.

- Instead of promoting full and open competition in all procurement transactions in an environment that is constantly changing to address program changes and consumer needs, contracting for extensive periods may restrict competition from other vendors capable of providing quality services and stunt program growth.

**Recommendation 3:** RSA recommends that MRC:

3.1 evaluate the methods used to procure contracts for consumer services to ensure the effectiveness of these methodologies in addressing program and consumer needs;

3.2 ensure that performance measures are included in all contracts with service providers;

3.3 limit the use of multi-year, rolling contracts to a period of no more than 3 years; and,

3.4 implement an internal monitoring system to assess performance and evaluate the effectiveness of service contracts and providers.

**Agency Response:** MRC is in compliance with all procurement policies and procedures. The Operational Service Division (OSD) conducts audits to ensure compliance with state procurement policies and guidelines. MRC employs contract managers for contract performance and effectiveness oversight.

**Technical Assistance:** MRC is not requesting technical assistance.

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**VR, SE and IL Program Fiscal Compliance Findings and Corrective Actions**

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

1. **Assigning Personnel Costs**

**Legal Requirements:**

OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment B (2 CFR Part 225, Appendix B):

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

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

**Finding:** MRC is not in compliance with OMB Circular A-87, Attachment B, Sections 8.h.4 and 8.h.5, because of the time distribution methodologies and personnel costs charged to the VR program for MRC staff performing duties benefiting more than one federal grant program or cost objective.

- MRC charges the personnel costs for at least seven individuals to the VR, IL-Part B and OIB programs using a predetermined budgeted percentage. No documentation is maintained to support reconciliation of these predetermined budgeted percentages with actual costs based upon time spent working on activities benefiting each of these programs. The personnel costs for individuals who work on multiple programs are usually included in an indirect cost pool and charged indirectly, or charged based on actual time spent performing duties that benefit these programs. MRC staff stated that the individuals questioned have not been included in the indirect cost pool because of a state-imposed limit on the number of FTEs that can be included in this pool. As part of the Single Audit, state auditors have examined personnel costs charged to federal programs and informed MRC that the positions in question should not be charged exclusively to the VR program, but have not questioned charging personnel costs on a predetermined basis.

- MRC has developed and implemented a substitute system for allocating the personnel and overhead costs of administrative staff and functions not charged indirectly. Documentation outlining this methodology was provided to the Review Team along with a letter verifying that the system was approved by RSA in the 1990’s, based on the certification of the system by independent auditors. This system for charging administrative salaries and costs has not been periodically recertified or reviewed since the initial review by auditors. RSA could not determine that all costs that should be included in the indirect pool are actually included in the pool, and that all costs currently included in the pool are appropriately defined, included and allocated.

**Corrective Action 1:** MRC must:

1.1 cease using Title I funds for personnel costs that do not have supporting documentation as required under OMB Circular A-87, Attachment B, 8.h.4 and 8.h.5;

1.2 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that it will comply with OMB Circular A-87, Attachment B, 8.h.4 and 8.h.5;

1.3 submit a plan, including timelines, describing the corrective actions that will be taken to ensure:

a) personnel activity reports are maintained to support the allocation of an equitable portion of personnel costs for individuals, not charged indirectly, who work on more than one federal grant program or cost objective; and,

b) personnel and administrative costs are allocated equitably, either directly or indirectly, to each program administered by MRC (excluding the SE program under Title VI-B, which can legally be charged to the VR program).
Agency Response: The agency recognizes the requirement to evaluate, develop and implement a method for supporting documentation for the allocation on an equitable portion of personnel costs for staff that work on more than one federal grant program or cost objective and allocating, either directly or indirectly, to each program administered personnel and administrative costs. MRC has an approved allocation plan that RSA has accepted. We do allocate staff to a state appropriation. Given that, we are requesting technical assistance. MRC respectfully requests a waiver from the requirement to submit a written assurance to RSA within 10 days of receipt of the final monitoring report that it will comply with OMB Circular A-87, Attachment B, 8.h.4 and 8.h.5.

RSA Response: Although RSA recognizes that MRC has an approved cost allocation plan, it still finds that MRC is not in compliance with the requirements of OMB Circular A-87, Attachment B, Sections 8.h.4 and 8.h.5 for the reasons cited above. RSA is requiring MRC to evaluate and review its cost allocation plan periodically and to develop a plan to address those seven or more staff not covered in the approved cost allocation plan in accordance with OMB Circular A-87. By submitting an assurance within ten days of the issuance of this report, MRC is simply indicating in writing that it will come into compliance with the pertinent requirements of OMB Circular A-87 and RSA is not waiving the need for MRC to address this corrective action. RSA will work with MRC to develop a corrective action plan that addresses the compliance issues raised in this finding.

Technical Assistance: MRC requests technical assistance from RSA to resolve this finding.

2. Financial Reporting

Legal Requirements:

34 CFR 361.12 states:

The State plan must assure that the State agency, and the designated State unit if applicable, employs methods of administration found necessary by the Secretary for the proper and efficient administration of the plan and for carrying out all functions for which the State is responsible under the plan and this part. These methods must include procedures to ensure accurate data collection and financial accountability.

34 CFR 80.20(a) states:

A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State … must be sufficient to:

(1) Permit preparation of reports required by this part and the statutes authorizing the grant, and

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

Finding: MRC failed to submit timely and accurate financial and statistical reports as required by 34 CFR 361.12 and 34 CFR 80.20(a). During the on-site monitoring visit, RSA interviewed MRC staff who prepare the Financial Status reports (SF-269) and reviewed supporting documentation. As a result of those discussions, RSA has concluded:
• MRC has failed to submit the Annual VR Program Cost Reports (known as the RSA-2s) in a timely manner since FY 2005. For example, the RSA-2 for FY 2008 was due December 31, 2008, but MRC did not submit it until March 26, 2009 – three months after it was due.

• MRC has failed to submit accurate RSA-2s. For example, RSA noted:

  1. On the FY 2007 RSA-2, MRC reported a significant increase in the total number of administrative staff (131) as compared to the number reported for FY 2006 (66). The additional 65 employees reported as administrative staff in FY 2007 had been reported as program staff on the FY 2006 RSA-2. However, MRC did not increase the total administrative costs to account for the salaries and fringe benefits associated with these additional 65 administrative employees. Instead, MRC continued to report the costs as program expenses, as it had done on previous RSA-2s. After reviewing the supporting documentation for the relevant RSA-2s to determine the root of the discrepancy between the number of administrative staff and the amount of administrative costs, RSA learned that these 65 employees were still performing program – not administrative – functions, such as counseling, assessments, and job placements in the field offices. Therefore, MRC classified these 65 employees inaccurately as administrative staff on the FY 2007 RSA-2; they should have continued to be reported as program staff.

  2. When completing the RSA-2, MRC inappropriately reported the number of full-time employees (FTEs) for the fiscal year by counting the number of staff on its September 30 payroll. The RSA-2 instructions require States to report the actual time that VR positions were filled during the period covered by the report. In other words, if a position is filled full-time throughout a fiscal year, it counts as one FTE or person-year; two positions filled half a year also count as one FTE. Counting the number of individuals whose time is charged to the VR program on the September 30 payroll, as MRC did, as one FTE for the entire fiscal year – regardless of whether each individual worked full-time or part-time, or a full-year or partial-year -- does not accurately report the FTE information required on the RSA-2.

  3. MRC did not separate the costs of services purchased from public vendors versus those purchased from private vendors, as required by the RSA-2 instructions for lines 2.B.2 through 2.B.4. MRC has consistently reported all costs for purchased services as purchased from private vendors.

• MRC has failed to submit accurate Financial Status reports (SF-269s). For example, RSA noted:

  1. MRC consistently reports no carryover of Federal funds at the end of each fiscal year. After reviewing the supporting documentation for the SF-269s, RSA learned that MRC counts VR funds contributed to a master contract as having been obligated for the fiscal year. These master contracts, which last 10 years, are actually agreements for the sole purpose of setting money aside for future use. VR counselors authorize the payment of services for VR consumers from the funds set aside in the master contracts. MRC is required to contribute funds to the contract whenever authorizations for VR consumer services exceed the level specified in the master contract. The Education Department General Administrative Regulations (EDGAR) at 34 CFR 76.707(d) states that an
obligation for work performed by non-agency personnel occurs at the time a binding agreement is entered into for the performance of that work. This means that MRC incurs the obligation for services when the VR counselor authorizes the service for the eligible individual. The obligation does not occur when funds are contributed to the master contract because no obligation to perform any specific service has been incurred at that point in time. Therefore MRC failed to report its obligations accurately for purposes of the SF-269s which resulted in a false reporting of no carryover funds for the fiscal year.

2. MRC did not report information about expenditures for innovation and expansion activities on the SF-269 (Block 12, Remarks) that agreed with the information reported in State Plan Attachment 4.11(e)(2) – “Evaluation and Report of Progress in Achieving Identified Goals and Priorities and Use of Title I Funds for Innovation and Expansion Activities.” MRC fiscal staff informed RSA they were unaware of this State Plan attachment and, as a result, had not captured innovation and expansion expenditures accurately on the SF-269.

3. MRC consistently reports large amounts of unliquidated obligations on the 4th quarter SF-269s (effective September 30 of each fiscal year) that it cancels shortly after the beginning of each new Federal fiscal year. For example, in its 4th quarter SF-269 for FY 2008, MRC reported $2,009,588 in non-Federal obligations that were cancelled and reported as such on the agency’s FY 2008 6th quarter SF-269, submitted for the period ending March 31, 2009. According to MRC fiscal staff, MRC overstates its reported unliquidated obligations at the end of each fiscal year in order to be sure that it has met its MOE obligations. Once final expenditure data is compiled and MRC is sure that it has met its MOE responsibility, it cancels the excess unliquidated obligations so as not to have a MOE deficit in two years. Although the RSA-2 instructs States to report unliquidated obligations as expenditures, MRC should not report unliquidated obligations that the agency knows it will cancel at the start of the new fiscal year because it results in inaccurate reporting and accounting of financial activities under the VR grant.

Federal regulations at 34 CFR 361.12 and 34 CFR 80.20 require MRC to assure that it will accurately collect and report data and financial activities for purposes of the VR program. MRC’s failure to submit timely and accurate financial and statistical reports, as described above, violates these Federal requirements.

Corrective Action 2: MRC must:

2.1 cease submitting untimely and inaccurate financial and statistical reports, namely the RSA-2s and the SF-269s, as required by 34 CFR 361.12 and 34 CFR 80.20;

2.2 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that it will ensure the timeliness, accuracy, and completeness of future financial and statistical reports submitted and the accurate accounting of all charges made to the VR program and assure that internal controls are implemented in order to ensure the accuracy of VR program accounting and reporting;

2.3 submit a plan, including timelines, describing the internal controls that will be implemented to ensure timeliness and accuracy of the financial and statistical reports; and,

2.4 revise the 4th quarter (period ending September 30 of each fiscal year) and subsequent SF-269s submitted for the VR program for FYs 2005 through 2008 to accurately report the
Federal and non-Federal expenditures; Federal and non-Federal obligations; program income received, disbursed and transferred; and innovation and expansion activity expenditures.

RSA reserves the right to pursue enforcement action as it deems appropriate, including the recovery of Title I VR funds, pursuant to 34 CFR 80.43 and 34 CFR Part 81 of EDGAR.

Agency Response: The agency acknowledges the importance of submitting correct and timely SF-269 and RSA-2 reports. The agency will work toward the evaluation, development and implementation of a system that meets the agency’s legal requirements. The agency has limited human and financial resources; therefore, the agency does not have the resources to revise past reports and respectfully requests that this corrective action be waived. The limitation of agency resources further makes the implementation of revised methodologies to complete accurate and timely reports a two-year timeline project.

RSA Response: The accuracy of submitted reports is critical to both RSA and MRC in determining the agency’s compliance with federal financial requirements, including its MOE requirements. The accuracy of the reports is also critical to program and fiscal planning and in the development of agency goals. RSA is not waiving the requirement that MRC correct its SF-269 reports. The corrected reports are necessary for RSA to assess the fiscal status of MRC. RSA will work with MRC to develop a corrective action plan that addresses the compliance issues raised in this finding.

Technical Assistance: MRC is requesting technical assistance to resolve this finding.

VR and SE Programs’ Issues for Further Review

RSA plans on conducting further review of the following VR and SE fiscal issues including:

- administrative salary and indirect costs charged to the VR program and under-reported administrative costs;
- complete administrative structure of MRC and the substitute system used to charge administrative costs to federal programs; and
- time distribution, cost allocation, source of funds and accurate reporting of the salaries of individuals working in the IL Part B and OIB programs.
CHAPTER 4:
MCB VOCATIONAL REHABILITATION AND SUPPORTED EMPLOYMENT PROGRAMS

The following table provides data on MCB’s VR and SE programs performance in key areas from FY 2003 through FY 2007.

<table>
<thead>
<tr>
<th>Massachusetts Commission for the Blind</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 4.1: Program Highlights</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total funds expended on VR and SE</td>
<td>$10,888,778</td>
<td>$10,487,246</td>
<td>$11,332,278</td>
<td>$11,759,070</td>
<td>$12,958,093</td>
</tr>
<tr>
<td>Individuals whose cases were closed with employment outcomes</td>
<td>190</td>
<td>193</td>
<td>201</td>
<td>200</td>
<td>191</td>
</tr>
<tr>
<td>Individuals whose cases were closed without employment outcomes</td>
<td>41</td>
<td>66</td>
<td>197</td>
<td>120</td>
<td>89</td>
</tr>
<tr>
<td>Total number of individuals whose cases were closed after receiving services</td>
<td>231</td>
<td>259</td>
<td>398</td>
<td>320</td>
<td>280</td>
</tr>
<tr>
<td>Employment rate</td>
<td>82.25%</td>
<td>74.52%</td>
<td>50.50%</td>
<td>62.50%</td>
<td>68.21%</td>
</tr>
<tr>
<td>Individuals whose cases were closed with supported employment outcomes</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>New applicants per million state population</td>
<td>56.45</td>
<td>54.83</td>
<td>48.28</td>
<td>41.93</td>
<td>42.48</td>
</tr>
<tr>
<td>Average cost per employment outcome</td>
<td>$4,823.73</td>
<td>$4,624.11</td>
<td>$5,722.27</td>
<td>$6,340.34</td>
<td>$5,559.46</td>
</tr>
<tr>
<td>Average cost per unsuccessful employment outcome</td>
<td>$3,335.24</td>
<td>$3,885.76</td>
<td>$3,966.98</td>
<td>$3,058.08</td>
<td>$4,818.35</td>
</tr>
<tr>
<td>Average hourly earnings for competitive employment outcomes</td>
<td>$19.42</td>
<td>$16.56</td>
<td>$16.58</td>
<td>$17.17</td>
<td>$18.22</td>
</tr>
<tr>
<td>Average state hourly earnings</td>
<td>$22.27</td>
<td>$23.22</td>
<td>$23.96</td>
<td>$24.89</td>
<td>$26.21</td>
</tr>
<tr>
<td>Percent average hourly earnings for competitive employment outcomes to state average hourly earnings</td>
<td>87.20%</td>
<td>71.32%</td>
<td>69.20%</td>
<td>68.98%</td>
<td>69.52%</td>
</tr>
<tr>
<td>Average hours worked per week for competitive employment outcomes</td>
<td>30.33</td>
<td>30.42</td>
<td>31.31</td>
<td>30.66</td>
<td>31.77</td>
</tr>
<tr>
<td>Percent of transition age served to total served</td>
<td>3.90%</td>
<td>5.41%</td>
<td>7.79%</td>
<td>6.88%</td>
<td>5.71%</td>
</tr>
<tr>
<td>Employment rate for transition population served</td>
<td>44.44%</td>
<td>42.86%</td>
<td>25.81%</td>
<td>45.45%</td>
<td>37.50%</td>
</tr>
<tr>
<td>Average time between application and closure (in months) for individuals with competitive employment outcomes</td>
<td>33.0</td>
<td>27.0</td>
<td>34.2</td>
<td>30.4</td>
<td>29.3</td>
</tr>
<tr>
<td>Performance on Standard 1</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Performance on Standard 2</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
</tbody>
</table>
VR AND SE SERVICE DELIVERY

MCB administers six regional offices, three of which are located in the Boston area and the remaining three throughout the state. MCB appointed a new director in FY 2007, and the change in leadership has renewed focus on counselor communication and training. The training has been designed to enable agency counselors to develop collaborations with the business community and to perform a more active role in the provision of job development, placement services and establishment of new consumer internships.

MCB counselors provide the majority of rehabilitation services and the agency employs specialized counselors who serve deaf-blind consumers. MCB contracts with 35 CRPs who receive referrals from MCB counselors to provide pre-employment skill building, job development, job placement and long-term supported employment services.

In addition, MCB has a ten year contract to provide adjustment and training services to individual who have recently become blind or need to increase specific skills through the Carroll Center, a comprehensive orientation and training center that includes residential services.

Massachusetts law requires that optometrists and ophthalmologists refer anyone they determine to be blind to the state registry for the blind, which is managed by MCB. Individuals referred through the registry are assigned to one of three MCB programs, the VR program; a state funded Social Services Program that serves both adults and children or the OIB Bridge program. MCB procedures require that all individuals referred to the agency be contacted within two weeks for the initial screening assessment at their home or at the local MCB office.

MCB’s social services program serves children younger than 14 years of age and at age 14 transfers the cases of transition-age youths to VR counselors. The procedures for the transfers are well documented in the agency policy manual. IPEs for transition-age youths typically contain services aimed at improving competency in rehabilitation technology and job exploration activities. The job exploration activities begin with career interest assessments and informational interviews and conclude with opportunities for temporary employment and/or internships that come with a stipend for food, clothing and travel expenses.

Each MCB field office has counselors assigned to all of the high schools in the office’s catchment area. The transition-age youths counselors will accept referrals starting at age 14, and for those who choose to wait, services begin no later than midway through their junior year of high school. IPE development begins with the introduction and training in new assistive technology, which is provided by an MCB rehabilitation engineer assigned to the local field office. MCB management has focused counselor training in “the language of business” with the goal to improve their skills in job development and internship creation. MCB believes that community based work experiences through internships, temporary jobs and or summer jobs are the key to successful transition from high school to competitive employment. The program identified by the agency as the most effective tool for work experiences is the internship program. The MCB counselors fully support the concept of student internships. With the help of their improved marketing skills, they have tripled the number of opportunities available during the past two years, with choices available in both state and federal government, small community businesses and large international corporations. This program provides the interns with a stipend to assist with clothing and transportation during the internship.
Personnel
The MCB FY 2009, State Plan indicates that the agency employs a total staff of 90, comprised of the following:

- 15 VR counselors;
- 23 Direct-service staff other then VR counselors (rehabilitation teachers, rehabilitation engineers, mobility instructors);
- ten supervisors;
- ten managers;
- 13 clerical and ADA support staff, and
- 19 administrators (fiscal, systems, program evaluation).

MCB uses the Commonwealth's Human Resource Compensation Management System (HRCMS) to manage its personnel data. In conjunction with the HRCMS, the Commission has a designated CSPD database to monitor individual employee academic credentials and qualifications as related to the requirements of the CSPD standard. MCB’s CSPD standard requires entry level VRCs performing non delegable functions to have a minimum of a master's degree in Rehabilitation Counseling, or a master's degree in an approved related field with the completion of graduate coursework in each of four designated Rehabilitation Core Knowledge areas. Of the agency’s 15 VR counselors, 12 meet the standard and the remaining three are currently enrolled in approved plans to attain the required credentials. MCB traditionally experiences a turnover rate of approximately ten percent for VR counselors. VR counselors handle an average caseload of 60 individuals.

Data Management
MCB utilizes a web based case management system (CMS) supported by a Sequel (SQL) server. The agency’s electronic case management system, called E-Reg, models the agency structure. This system is linked to a central registry with over 38,000 entries. CMS is accessible with Jaws, Zoom Text and also from remote locations by those counselors with laptops. Laptops are currently in limited use and MCB is exploring options to expand their availability for all of the VRCs. This would eliminate the duplication of effort that is currently required to generate hard copy documents in the field and then recreate them within the E-Reg upon their return to the office. MCB is considering the possibility of utilizing American Recovery and Reinvestment Act funds for this purpose. As an alternative to purchasing laptops, MCB is also investigating the option of leasing laptops and docking stations in field offices rather than desk tops in the future.

Quality Assurance
Counselors meet once per month at the Boston office for an all-staff meeting which includes everyone from the agency director to the support staff. At these meetings the staff will discuss shared issues such as policy changes, job leads, and training needs and conduct peer reviews of difficult cases. Due to these meetings several committees have evolved to identify problems and develop solutions. This increased level of communication has empowered and increased the morale of the staff.
Other components of QA include client satisfaction surveys, supervisor case reviews, and supervisor approval of eligibilities, plans, and authorizations. MCB has also designed its implementation of the Employee Performance Review System (EPRS) to support QA efforts by re-tooling objectives within EPRS to focus on transition-age youths, employment goals and the agencies business approach.

MCB also has a policy development unit that has in the past engaged in special studies to compare one mode of service delivery or provider with another as well as longitudinal studies of closed cases and long term outcomes. However, these efforts recently have been limited due to staff shortages.

MCB will implement new statewide comprehensive integrated employment plans to develop and evaluate specific measures related to support this state wide requirement.

The QA system also includes case management system (CMS) edit checks and QA checks that are completed on a monthly basis.

Planning:

MCB has a strategic plan framed in action steps for FY 2008 – 2010, addressing areas such as casework practice, in-service training for community agencies and medical professionals, and enhanced relationships with the business community. However, the MCB strategic plan does not include broad goals that chart the future direction of the agency.

VR AND SE PROGRAM TECHNICAL ASSISTANCE PROVIDED TO MCB DURING THE REVIEW PROCESS

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

- vocational services;
  - identified need for proper coding of SE services and outcomes;
  - provided written description of Nebraska team approach to providing services;
  - provided the website for internships with the federal government in Washington, D.C.;
- policy, planning and QA;
- closing the corrective action plan developed as a result of RSA’s FY 2004 monitoring;
- data analysis; and
- using the RSA MIS with JAWS.
Observations of MCB and Its Stakeholders about the Performance of the VR and SE Programs

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

- the decrease in employment outcomes;
- the high percentage of homemaker closures;
- the need to update the policy manual to bring it into compliance with federal requirements; and
- fiscal planning, staff training in fiscal requirements and improved use of the reallocation funding made available from RSA.

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

VR and SE Performance Observations and RSA Recommendations

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

1. Homemaker Employment Outcomes

Observation: As indicated in Table 4.2 below, when compared to its peer agencies, MCB has a significantly higher percentage of homemaker employment outcomes.

Table 4.2
Percent of Homemaker Outcomes from FY 2003 to FY 2007: MCB versus Peers and National Blind Agencies

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>MCB</td>
<td>40.5%</td>
<td>48.2%</td>
<td>42.3%</td>
<td>45.0%</td>
<td>46.1%</td>
</tr>
<tr>
<td>KY-B</td>
<td>18.9%</td>
<td>11.9%</td>
<td>12.5%</td>
<td>11.8%</td>
<td>12.5%</td>
</tr>
<tr>
<td>WA-B</td>
<td>1.6%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>IA-B</td>
<td>14.7%</td>
<td>16.1%</td>
<td>10.2%</td>
<td>10.9%</td>
<td>12.1%</td>
</tr>
<tr>
<td>SC-B</td>
<td>29.1%</td>
<td>18.5%</td>
<td>20.2%</td>
<td>20.1%</td>
<td>20.3%</td>
</tr>
<tr>
<td>National Blind</td>
<td>32.3%</td>
<td>25.7%</td>
<td>21.2%</td>
<td>16.3%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>
Table 4.3
Percent of Age at Application for Homemaker Outcomes in FY 2007: MCB versus National Blind Agencies

<table>
<thead>
<tr>
<th>Age group</th>
<th>MCB</th>
<th>National Blind</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-24</td>
<td>1.14</td>
<td>3.0</td>
</tr>
<tr>
<td>25-34</td>
<td>7.95</td>
<td>6.4</td>
</tr>
<tr>
<td>35-44</td>
<td>21.59</td>
<td>13.3</td>
</tr>
<tr>
<td>45-54</td>
<td>21.59</td>
<td>22.4</td>
</tr>
<tr>
<td>55-64</td>
<td>34.09</td>
<td>19.1</td>
</tr>
<tr>
<td>65-74</td>
<td>11.36</td>
<td>11.3</td>
</tr>
<tr>
<td>75 and above</td>
<td>2.27</td>
<td>24.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.0</td>
</tr>
</tbody>
</table>

- the above table, 4.3 indicates that 77.54 percent of applicants are between 35 and 64;
- an MCB summary of 110 service record peer reviews conducted in the fall of 2008; indicates that 34 percent were closed with an outcome of homemaker. The documentation in 52 percent of those homemaker service records did not reflect discussion during the IPE process of a competitive employment or a supported employment goal.

**Recommendation 1:** RSA recommends that MCB:

1.1 develop performance goals, targets, strategies and evaluation methods to decrease the number of homemaker outcomes;

1.2 encourage and counsel consumers regarding the potential for competitive employment; and

1.3 identify specific criteria that must be met in order to write an IPE for a vocational goal of Homemaker.

**Agency Response:** MCB will:

1. develop performance goals, targets, strategies and evaluation methods to decrease the number of homemaker outcomes;

2. continue to explore ways to better encourage and counsel consumers regarding the potential for competitive employment; and

3. review and expand its homemaker policy to further clarify specific criteria that must be met in order to write an IPE for a vocational goal of homemaker.

**Technical Assistance:** MCB is not requesting technical assistance.

**2. Policy Manual Contains Inaccurate Information and Information that is not Up-to-Date**

**Observation:** MCB does not conduct regular reviews of its policy manual and guidance memoranda for the purpose of identifying areas requiring revision or updating. In its review of MCB policy and guidance materials, RSA identified a number of items that were not consistent with the act as amended in 1998. Examples are the use of medical model language ("diagnostic
study” versus “assessment” or “handicap” versus “impediment”) and terminology inconsistent with the 1998 amendments (“adaptations to vehicles” versus “vehicle modifications.”) Also, section 22 D on supported employment states only a partially accurate definition of “integrated setting.” Another example is the use of the terms “Individual Plan for Employment (IPE)” and “Individual Written Rehabilitation Plan (IWRP)” interchangeably in the agency’s state regulations on College Training Services.

Also, the MCB policy manual uses the term “trial work experience” (TWE) inconsistently throughout and does not include the use of TWE in every policy where it applies. For example, Section 2M, titled Diagnostic Work Evaluation, seems to refer to TWE but does not mention developing a plan for TWE. Section 3 G 2 discusses extending the time frame for determining eligibility in order to explore the applicant’s abilities, capabilities, and capacity for work without incorporating TWE or EE.

In addition, RSA identified several misstatements or unclear statements that lead to interpretations inconsistent with the act. For example, policy manual section 2 E states that federal regulations require that the consumer be given a choice of having an examination by an optometrist or ophthalmologist. Section 5 E indicates that the IPE must have a vocational goal that is expressed as a) “no goal” or “very tentative goal” for extended evaluation or b) the occupational group or specific job title. Federal regulations permit the identification of a specific vocational objective only. Section 5 G indicates that “the law” requires periodic reviews of extended evaluation plans every 90 days. While it is a good practice for the agency to set a timeframe for evaluating progress, this is not a federal requirement.

RSA also identified policy manual sections, such as section 21 A on comparable benefits, that make contradictory statements within the same policy section or with other policy sections. Another example rests in the agency’s state code (111 Commonwealth of MA Regulations 6.00) on postsecondary education services. The code indicates that the amount of any scholarship awarded to the student must be subtracted from the cost of attendance. This conflicts with section 21 B 7 of the policy manual which provides the correct RSA guidance.

Section 3 J discusses services to individuals residing outside MA. This guidance and the examples given are not consistent with federal requirements. However, the policy does state the correct interpretation that individuals are not denied VR services based on residence.

**Recommendation 2:** RSA recommends that MCB:

2.1 develop and implement a regular schedule for review of MCB policies and procedures for clarity and for consistency with the 1998 amendments to the act. The regular review of the VR program policies will also allow MCB to determine if any cost limits or other limitations are reasonable and do not deny individuals a service;

2.2 review policies and procedures to determine the need for updating the state code for the VR program;

2.3 review and revise MCB policies to incorporate TWE and EE as described in and consistent with 34 CFR 361.42(e)(f);

2.4 revise section 3 J to use examples that are consistent with federal requirements in illustrating the provision of services to out of state residents.
Agency Response: As a result of technical assistance provided by RSA staff during and after the review, MCB is in the process of revising its policy manual. MCB intends to enlist the help of its State Rehabilitation Council to establish a process for regular review of MCB policies and procedures.

Technical Assistance: The agency requests technical assistance regarding Recommendations 2.1, 2.2, 2.4 and 2.5. The agency does not request technical assistance regarding Recommendations 2.3 and 2.6.

3. Strategic Plan

Observation: The MCB Strategic Plan for FY 2008 – FY 2010 does not provide direction for the agency, nor does it contain mission, vision and values statements. The plan contains 12 items labeled as action steps with sub-activities. Each action step assigns a project manager as well as the staff assigned to the workgroup charged with these tasks. Some action steps are phrased as short-term tasks, such as “To develop and deliver in-service training for medical professionals and community agencies,” while others are broad goals that require long-term or, perhaps, ongoing efforts, such as “To enhance the relationship between MCB and the business community.” The action steps, or goals, and sub-activity, or objective, provide the information about what the agency must do, but not to what end. The plan does not provide the agency or the public with a description of the MCB of the future.

Recommendation 3: RSA recommends that MCB:

3.1 incorporate into its strategic plan a mission, vision and value statements, and long-range goals that provide the agency direction; and

3.2 establish a collaborative strategic planning process incorporating fiscal and program planning as well as data regarding the performance of those program elements.

Agency Response: MCB intends to undertake a major effort during FY 2010 to expand, improve, and update its strategic plan to better reflect its vision over the next five years. The agency intends to partner with both its Statutory Advisory Council and its State Rehabilitation Council in this strategic planning process. The strategic plan developed will incorporate fiscal and program planning, as well as data regarding the performance of those program elements.

Technical Assistance: MCB is not requesting technical assistance.

4. Accurate Reporting of Supported Employment Outcomes.

Observation: According to the data in table 4.4, MCB’s supported employment outcomes for the past five years is a total of five with zero outcomes in FY 2005 and FY 2007. MCB indicated that this was a coding error which was a result of counselor misinterpretation of the procedures manual’s instructions.
Table 4.4
MCB Supported Employment Outcomes and Fund: FY 03-07

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>N</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>1.1%</td>
<td>1.0%</td>
<td>0.0%</td>
<td>0.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Supported Employment Allotment</td>
<td>$114,298</td>
<td>$112,968</td>
<td>$111,093</td>
<td>$82,542</td>
<td>$81,563</td>
</tr>
<tr>
<td>Supported Employment Expenditures as of 9/30</td>
<td>$15,459</td>
<td>0</td>
<td>$57,143</td>
<td>$49,928</td>
<td>$66,165</td>
</tr>
<tr>
<td>Supported Employment % Carried Over</td>
<td>86.47%</td>
<td>100.00%</td>
<td>48.56%</td>
<td>39.51%</td>
<td>18.88%</td>
</tr>
</tbody>
</table>

Recommendation 4: RSA recommends that MCB provide sufficient training to the VR counselors in the definition of supported employment services, writing a SE plan and the proper way to document SE outcomes.

Agency Response: MCB agrees that both training and increased supervision on this coding is indicated. The agency intends to provide this training during FY 2010, in conjunction with training for VR counselors and supervisors on the definition of supported employment services, writing an SE plan and the proper way to document SE outcomes.

Technical Assistance: MCB requests technical assistance.

5. Decrease in Referrals:

Observation: The number of MCB’s applicants has decreased from 421 in FY 2003 to 299 in FY 2007, or 29 percent. As Table 4.5 indicates, this has become a national trend over the past five years.

Table 4.5
Number of Applicants for MRC and All Blind Agencies from FY 2003 through FY 2007

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Applicants on hand</td>
<td>58</td>
<td>64</td>
<td>33</td>
<td>33</td>
<td>25</td>
<td>-56.90%</td>
</tr>
<tr>
<td>MCB</td>
<td>New applicants during the year</td>
<td>363</td>
<td>352</td>
<td>309</td>
<td>270</td>
<td>274</td>
<td>-24.52%</td>
</tr>
<tr>
<td></td>
<td>Total Applicants</td>
<td>421</td>
<td>416</td>
<td>342</td>
<td>303</td>
<td>299</td>
<td>-28.98%</td>
</tr>
<tr>
<td></td>
<td>Applicants on hand</td>
<td>1,710</td>
<td>1,739</td>
<td>1,486</td>
<td>1,515</td>
<td>1,385</td>
<td>-19.01%</td>
</tr>
<tr>
<td>Blind Agencies</td>
<td>New applicants during the year</td>
<td>16,550</td>
<td>15,397</td>
<td>14,384</td>
<td>13,466</td>
<td>13,970</td>
<td>-15.59%</td>
</tr>
<tr>
<td></td>
<td>Total Applicants</td>
<td>18,260</td>
<td>17,136</td>
<td>15,870</td>
<td>14,981</td>
<td>15,355</td>
<td>-15.91%</td>
</tr>
</tbody>
</table>
Recommendation 5: RSA recommends that MCB:

5.1 continue its public awareness campaign and expand its strategies to include outreach to potential consumers of MCB, emphasizing the agency’s value in helping them become more independent and successfully employed in the community; and

5.2 establish outreach performance goals and targets, expand its current strategies, and evaluate the extent to which it is meeting its outreach performance goals.

Agency Response: Despite the downward trend delineated for the years FY 2003 through FY 2007, MCB’s applicants increased 14.7% from FY 2007 to FY 2008, from 299 to 343. The agency intends to:

1. Continue its public awareness campaign and expand its strategies to include outreach to potential consumers of MCB, emphasizing the agency’s value in helping them become more independent and successfully employed in the community. These strategies include completion of the census it is currently conducting of all of the 35,000 legally blind registrants in Massachusetts and expanded consumer satisfaction surveys. The census and all of the surveys are major avenues of outreach since each individual contacted is offered services or future services.

2. Establish outreach performance goals and targets, expand its current strategies, and evaluate the extent to which it is meeting its outreach performance goals.

Technical Assistance: MCB is not requesting Technical Assistance.

VR AND SE COMPLIANCE FINDINGS AND CORRECTIVE ACTIONS

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

1. Identification of a Specific Employment Outcome on the IPE

Legal Requirement: 34 CFR 361.45(b)(2) – The IPE must be designed to achieve a specific employment outcome.

Finding: Section 5 E of the MCB Policy Manual indicates that the IPE must have a vocational goal that is expressed as a) no goal or very tentative goal for extended evaluation only or b) the occupational group or specific job title. MCB’s policy does not meet federal requirements because it allows an IPE to be developed with no goal or with a non-specific statement of the goal.

Corrective Action 1: MCB must revise its policy manual to indicate that only a specific job title shall be listed as a vocational goal on the IPE consistent with §361.45(b)(2).

Agency Response: MCB will revise its policy manual to indicate that only a specific job title shall be listed as a vocational goal on the IPE consistent with Section 361.45(b)(2).
RSA Response: In its corrective action plan, MCB should describe the steps it is taking to revise its policy manual to require that a specific employment goal be identified on the IPE.

Technical Assistance: MCB is not requesting technical assistance.
CHAPTER 5:
FISCAL MANAGEMENT OF MCB VOCATIONAL REHABILITATION, SUPPORTED EMPLOYMENT, INDEPENDENT LIVING, AND OLDER INDIVIDUALS WHO ARE BLIND PROGRAMS

RSA reviewed MCB’s fiscal management of the VR, SE, IL and OIB 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, taken from fiscal reports submitted by the state agencies, speak to the overall fiscal performance of the agency. The data related to matching requirements are taken from the fourth quarter of the respective fiscal year’s SF-269 report. The maintenance of effort (MOE) requirement data is taken from the final SF-269 report of the fiscal year (two years prior to the fiscal year to which it is compared). Fiscal data related to administration, total expenditures, and administrative cost percentage is taken from the RSA-2.

TABLE 5.1
FISCAL PROFILE DATA FOR MCB FOR FY 2004 THROUGH FY 2008

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Amount</td>
<td>6,715,237</td>
<td>6,537,814</td>
<td>6,724,870</td>
<td>6,959,312</td>
<td>6,871,057</td>
</tr>
<tr>
<td>Required Match</td>
<td>1,817,466</td>
<td>1,769,446</td>
<td>1,820,073</td>
<td>1,883,524</td>
<td>1,859,638</td>
</tr>
<tr>
<td>Federal Expenditures</td>
<td>6,715,237</td>
<td>6,537,841</td>
<td>6,724,675</td>
<td>6,959,312</td>
<td>6,488,546*</td>
</tr>
<tr>
<td>Actual Match</td>
<td>5,300,869</td>
<td>5,408,258</td>
<td>5,431,206</td>
<td>5,947,384</td>
<td>5,169,811</td>
</tr>
<tr>
<td>Over (Under) Match</td>
<td>3,483,403</td>
<td>3,638,812</td>
<td>3,611,133</td>
<td>4,063,860</td>
<td>3,310,173</td>
</tr>
<tr>
<td>Carryover at 9/30 (year one)</td>
<td>1,067,177</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,053,505</td>
</tr>
<tr>
<td>Program Income</td>
<td>0</td>
<td>0</td>
<td>103,319</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Maintenance of Effort (MOE)</td>
<td>4,493,089</td>
<td>4,626,658</td>
<td>5,300,869</td>
<td>5,408,607</td>
<td>5,431,206</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>3,397,352</td>
<td>3,672,476</td>
<td>3,076,313</td>
<td>3,547,405</td>
<td>2,427,303</td>
</tr>
<tr>
<td>Total Expenditures**</td>
<td>10,487,246</td>
<td>11,332,278</td>
<td>11,759,070</td>
<td>12,958,093</td>
<td>12,250,835</td>
</tr>
<tr>
<td>Percent Admin Costs to Total Expenditures</td>
<td>32.40%</td>
<td>32.41%</td>
<td>26.16%</td>
<td>27.38%</td>
<td>19.81%</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 Basic Support Program, other than for the construction of a facility related to a community rehabilitation program, was established in the 1992 amendments to the Rehabilitation Act at 21.3 percent. As such, a minimum of 21.3 percent of the total allowable program costs charged to each year’s grant must come from non-federal expenditures from allowable sources as defined in program and administrative regulations governing the VR Program. (34 CFR 361.60(a) and (b); 34 CFR 80.24)

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

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

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

Program Income:
Program income means gross income received by the state that is directly generated by an activity supported under a federal grant program. Sources of state VR program income include, but are not limited to, payments from the Social Security Administration 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 MCB During the Review Process**

RSA provided the following VR, SE, IL and OIB program technical assistance to MCB during the review process regarding:

- RSA’s assessment of the agency’s compliance with specific financial requirements, including match, maintenance of effort (MOE), carryover, reallocation, program income, liquidation of outstanding obligations and grant closeout;

- the importance and value of strategic fiscal and program planning to efficiently and effectively utilize American Recovery and Reinvestment Act (stimulus) funds made available to the agency;

- the potential for MCB, as a result of the significant VR program overmatch provided each fiscal year, to request and receive additional federal funds that are expected to be returned through the reallocation process in FYs 2009 and 2010;

- training in the basic financial requirements of RSA-funded formula grant programs, which included: RSA organizational structure, guidance and reference materials (including OMB Circulars), innovation and expansion expenditures, allotment process, match, maintenance of effort, program income, liquidation of obligations, carryover, reallocation process, procurement, property management, records retention, reversion to donor, audit requirements, and financial and statistical reports;
• federal requirements applicable to the timely and accurate submission of financial and statistical reports (SF-269 and RSA-2) and MCB’s responsibility for the verification of the reported information in each formula grant program (VR, SE, IL-Part B and OIB);

• the OMB Circular A-87 time distribution requirement applicable to staff working on more than one program or cost objective, and the semi-annual certification requirement applicable to staff working exclusively on one federal program;

• the federal requirements applicable to carrying over matched federal funds that remain unobligated/unexpended at the end of the fiscal year for which the funds were appropriated and strategies to aid financial staff in managing and stabilizing non-federal expenditures required to meet the maintenance of effort requirement each fiscal year;

• the prohibition against increasing non-federal expenditures after September 30 of the year for which the funds were appropriated (year one) except when correcting an error or settling and audit or monitoring disallowance;

• RSA’s Management Information System (MIS) security requirements that prohibit sharing user IDs and passwords and reviewed procedures for authorizing new users;

• federal requirements applicable to the obligation/expenditure of federal and non-federal funds, liquidation of outstanding obligations and the timely closeout of VR, SE, IL-Part B and OIB grants;

• reallocation process and strategies for requesting and utilizing one-time federal funds made available through this process;

• strategies for increasing program income;

• appropriate allocation methodologies and reporting administrative costs on the RSA-2 report; and

• the development of the SILC resource plan, participation of all involved parties, and resources available to fund MCB’s portion of this plan.

Observations of MCB and Its Stakeholders about the Fiscal Management Performance of the VR, SE, IL and OIB Programs

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

• MCB has sufficient state resources with the current economic conditions to match all available federal funds, however, meeting the maintenance of effort requirement may become a problem; and

• the new direction for MCB’s VR program is still evolving and has yet to develop a comprehensive written strategic plan.

RSA discussed the observations of its stakeholders with MCB and addressed as many of them as possible either directly or by consolidating them into a broader issue area.
VR, SE, IL AND OIB PROGRAMS’ FISCAL MANAGEMENT PERFORMANCE OBSERVATIONS AND RSA RECOMMENDATIONS

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

1. Financial Planning

Observation: MCB’s financial planning process is not clearly defined and consists mainly of the development of the agency’s budget and subsequent monitoring of expenditures against the approved budget. From discussions with MCB financial and management staff, there is limited evidence that the agency’s financial planning process is all inclusive and takes into consideration the resources needed to achieve the following:

- state plan and strategic plan goals;
- innovation and expansion activities planned by the agency;
- projected (and potential) federal and state financial resources and funding reductions;
- staffing plans;
- number of consumers projected to be served each fiscal year;
- the cost of serving these consumers; or
- the projected cost and financial impact of prior year commitments for individualized plans for employment on the resources available in the current fiscal year and future funding periods.

This lack of planning may have contributed to increasing the VR program’s MOE requirement each fiscal year since FY 2004 and the prospect of penalties being assessed for FYs 2009 through 2011 for not being able to meet this requirement. The agency has also gone from having no reported carryover from FYs 2005 through 2007, to carrying over $2,053,505 from FY 2008 into FY 2009. As discussed with staff during the onsite review, the current planning also does not take into consideration the broader fiscal and program opportunities available to MCB as a result of the agency’s VR program’s MOE requirement being much higher than the match required for this program. MCB is overmatched by $3.3 million and is eligible to request an additional $12 million a year in reallocation funds, without a requirement to provide any additional matching funds. Instead, MCB has been requesting $150,000 to $200,000 per year. While there is no guarantee that MCB would receive the additional federal funds, comprehensive financial planning will allow the agency to take advantage of all potential resources to expand services to VR consumers.

Recommendation 1: RSA recommends that the MCB develop and implement a multi-year financial planning process that, at a minimum, projects:

- anticipated financial resources (federal and non-federal);
• plans for the utilization of available resources, documents the need for additional resources and identifies excess resources;
• administrative (including indirect) expenses, staff salaries, fringe benefits and overhead costs;
• innovation and expansion activities; and
• state plan goal, strategies and costs related to providing services to program consumers.

This plan should be updated on a regular basis and become a valuable program management tool.

**Agency Response:** MCB will:

• develop and implement a comprehensive multi-year financial plan in conjunction with program plans to allow MCB to take full advantage of all potential federal and non-federal resources to expand services to blind VR consumers; and

• review and update plan on regular basis as another planning management tool.

**Technical Assistance:** MCB is not requesting technical assistance.

### 2. SILC Resource Plan

**Observation:** During discussions with MCB staff, it was clear that MCB does not participate in SILC resource plan development and decisions regarding the agency’s financial participation in this plan. RSA provided technical assistance in this area and discussed the importance and value of having all the contributors to the resource plan at table during the resource plan development. The SILC should not be solely responsible for developing the budget and turning it over to MRC and MCB to fund. Further, the approved SILC resource plan should only include those activities necessary to carry out the responsibilities in 34 CFR 364.21(g), which outlines the duties of the SILC. MCB’s portion of the SILC resource plan can be funded with IL Part B funds, Title I Social Security reimbursements transferred into the IL Part B program, or Title I Innovation and Expansion funds.

**Recommendation 3:** RSA recommends that the MCB participate in the development of the SILC resource plan prior to committing resources/funds to this plan. MCB should also ensure that resources are only committed to carry out those duties of the SILC outlined in 34 CFR 364.21(g).

**Agency Response:** MCB will continue to make appropriate staff available to participate in the development of the Plan prior to committing resources/funds. The agency agrees that it should take a more active role in the plan development and will do so.

**Technical Assistance:** MCB is not requesting technical assistance.

### VR, SE, IL AND OIB PROGRAM FISCAL COMPLIANCE FINDINGS AND CORRECTIVE ACTIONS

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

1. Periodic Certification


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

Finding: MCB is not in compliance with OMB Circular A-87, Attachment B, 8.h.3 because the agency has not conducted periodic certifications for employees working solely on one federal grant program or cost objective. To comply, employees or their supervisors are required to certify, at least semi-annually, that the employee worked solely on one grant program, or cost objective, during the period covered by the certification.

Corrective Action 1: MCB must:

1.1 cease using Title I funds for personnel costs that do not have personnel certifications as required under OMB Circular A-87, Attachment B, 8.h.3;

1.2 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that it will comply with OMB Circular A-87, Attachment B, 8.h.3; and

1.3 develop and submit policies/procedures that ensure, at a minimum, semi-annual certifications are completed for all employees working solely on one federal grant program, or cost objective, to comply with the requirement in OMB Circular A-87, Attachment B, 8.h.3.

Agency Response: It was not MCB’s intention to be in noncompliance with OMB Circular A-87, Attachment B.8h3 or 34 CFR 361.12 and 34 CFR 80.20. However, MCB will make it a priority to ensure all future administrative practices comply with OMB Circular A-87, Attachment B.8h3 or 34 CFR 361.12 and 34 CFR 80.20. The agency intends to hire an accredited consultant with experience and expertise in compliance with both OMB requirements and Massachusetts state requirements to assist the agency to develop and implement a plan to incorporate a semi-annual certification process to be completed for all employees working solely on one federal grant program, or cost objective.

1. Periodic Certification, Agency Corrective Action:

MCB will:

- cease using Title 1 for personnel costs that do not comply with OMB OMB Circular A-87, Attachment B.8h3 requirements;
- develop and implement a plan to incorporate as a part of the agency’s policies/procedures, a semi-annual certification process to be completed for all
employees working solely on one federal grant program, or cost objective in compliance with OMB Circular A-87, Attachment B.8h3; and

- submit a written assurance to RSA within ten days of receipt of the final monitoring report including the specific steps that the agency will take to be in compliance with OMB Circular A-87, Attachment B.8h3.

RSA Response: MCB must develop a corrective action plan that specifies the steps that it will take to resolve this finding, timelines for completion of those steps and methods for evaluating that the steps taken have resolved the finding within 45 days from the issuance of this final report.

Technical Assistance: MCB is not requesting technical assistance.

2. Financial Reporting

Legal Requirements:

34 CFR 361.12 states:

The State plan must assure that the State agency, and the designated State unit if applicable, employs methods of administration found necessary by the Secretary for the proper and efficient administration of the plan and for carrying out all functions for which the State is responsible under the plan and this part. These methods must include procedures to ensure accurate data collection and financial accountability.

34 CFR 80.20(a) states:

A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State… must be sufficient to:

(3) Permit preparation of reports required by this part and the statutes authorizing the grant; and

(4) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

Finding: MCB failed to submit timely and accurate financial and statistical reports as required by 34 CFR 361.12 and 34 CFR 80.20(a). During the on-site monitoring visit, RSA interviewed MCB staff who prepares the Financial Status reports (SF-269) and reviewed MCB’s supporting documentation. As a result of those discussions, RSA has concluded:

- MCB has failed to submit accurate SF-269 reports since FY 2005 (the period covered by the RSA review), as required by 34 CFR 361.12 and 34 CFR 80.20(a). RSA noted several factors that contributed to the submission of inaccurate reports. First, MCB’s procedures emphasize submitting timely reports, regardless of whether complete and final information is available. Staff, historically, submit revised reports after the final information becomes available through the State’s accounting system; therefore, RSA eventually receives accurate SF-269s. Second, MCB lacks internal controls to ensure the accuracy of financial and statistical reports. For example, MCB did not have a system in place to ensure that the reports were reviewed for accuracy prior to their submission to
Furthermore, MCB did not have a system in place to ensure that staff was familiar with Federal reporting requirements in order to be sure that the reports were filed timely and accurately. The lack of these internal controls also has enabled staff to submit reports through the RSA Management Information System (MIS) without obtaining the required identification and password for each individual, as required by the MIS instructions. Third, because the level of Federal funds received by the agency is below $500,000, MCB has been excluded from the compliance review portion of the State’s annual single audit required by OMB Circular A-133, for several years. As a result, state auditors have not been reviewing the accuracy of these reports.

- MCB has used inappropriate methods for allocating indirect costs to the VR program. In addition, MCB has routinely reported obligations against the VR program inappropriately. For example, MCB reports contributions to a 10-year master contract—a mechanism for setting aside money for future non-specified VR use—as an obligation for the VR program even though VR services might never be charged against that contract. The Education Department General Administrative Regulations (EDGAR) at 34 CFR 76.707(d) states that an obligation for work performed by non-agency personnel occurs at the time a binding agreement is entered into for the performance of that work. This means that MCB incurs the obligation for services when the VR counselor authorizes the service for the eligible individual. The obligation does not occur when funds are contributed to the master contract because no obligation to perform any specific service has been incurred at that point in time. Therefore, MCB’s reporting of the contributions to the master contracts as obligations violates the requirements of 34 CFR 76.707. These inappropriate allocations and obligations have caused an unnecessary increase in expenditures reported under the VR program, thus contributing to the State’s maintenance of effort (MOE) deficit. Reallocation of the indirect costs and more accurate reporting of the obligations actually incurred during each fiscal year will lower the amount charged the VR program and could reduce the State’s MOE responsibility.

- Federal regulations require MCB to have mechanisms in place to ensure the accurate accounting and reporting of grant activities (34 CFR 361.12 and 34 CFR 80.20). MCB has failed to comply with this requirement by routinely submitting inaccurate SF-269s, not having internal controls in place to ensure the accuracy of the reports and the identification of individuals submitting those reports, failing to allocate indirect costs appropriately, and failing to report obligations properly. Due to the inaccuracy of the reports and the inappropriate indirect costs and obligations charged to the VR program, RSA cannot determine the appropriate level of non-Federal expenditures or compliance with MOE requirements applicable to FYs 2005 through 2008.

**Corrective Action 2:** MCB must:

1. cease submitting inaccurate SF-269s and inappropriately allocating indirect charges and obligations to the VR program, as required by 34 CFR 361.12 and 34 CFR 80.20 and cease treating contributions to the master contracts as obligations, as required by 34 CFR 76.707;

2. submit a written assurance to RSA within 10 days of receipt of the final monitoring report so that it will ensure the accuracy and completeness of financial and statistical reports submitted, and the accurate accounting of all charges made to the VR program. MCB also
must assure that internal controls are implemented in order to ensure the accuracy of VR program accounting and reporting;

2.3 submit a plan, including timelines, describing the internal controls that will be implemented to ensure timeliness and accuracy of the financial and statistical reports; and

2.4 revise the 4th quarter (period ending September 30 of each fiscal year) and subsequent SF-269s submitted for the VR program for FYs 2005 through 2008 to accurately report the Federal and non-Federal expenditures, Federal and non-Federal obligations, program income received, disbursed and transferred, and innovation and expansion activity expenditures.

RSA reserves the right to pursue enforcement action as it deems appropriate, including the recovery of Title I VR funds, pursuant to 34 CFR 80.43 and 34 CFR Part 81 of EDGAR.

Agency Response: MCB will:

- cease submitting SF-269 reports with information deemed inappropriate per 34 CFR 361.12, 34 CFR 80.20 and 34 CFR 76.707;
- develop and implement a plan to update the internal controls that ensure timely and accurate submittal of financial and statistical reports; and
- submit a written assurance to RSA within ten days of receipt of the final monitoring report including the specific steps that the agency will take to ensure the accuracy and completeness of financial and statistical reports submitted, the accurate accounting of all charges to the VR program, and internal controls are implemented to ensure the accuracy of VR program accounting and reporting.
  - MCB has: revised previously submitted 4th quarter (September 30th) and subsequent SF-269 reports for VR, SE, IL, and OIB programs that required corrections from FFY 2005 through FY 2008.

RSA Response: In its corrective action plan, MCB should describe the steps it will take to cease the submission of SF-269s that include inappropriate information and to ensure the submission of timely and accurate reports.

Technical Assistance: MCB is not requesting technical assistance.

3. Match/Carryover – Independent Living Services for Older Individuals Who Are Blind Program (OIB program)

Legal Requirements:

Section 19 of the Rehabilitation Act of 1973, as amended (Rehabilitation Act), states:

(a) In General

Except as provided in subsection (b), and notwithstanding any other provision of law—

(1) any funds appropriated for a fiscal year to carry out any grant program under part B of title I, section 509 (except as provided in section 509(b)), part B of title VI, part B or C of chapter 1 of title VII, or chapter 2 of title VII (except as provided in section 752(b)), including any funds reallocated under any such grant program, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal
year; ... shall remain available for obligation and expenditure by such recipients during such succeeding fiscal year.

(b) Non-Federal Share

Such funds shall remain available for obligation and expenditure by a recipient as provided in subsection (a) only to the extent that the recipient complied with any Federal share requirements applicable to the program for the fiscal year for which the funds were appropriated.

34 CFR 364.6(b), made applicable to the OIB program by 34 CFR 367.4(c)(3), states:

Federal funds appropriated for a fiscal year under part B of chapter 1 and under chapter 2 of title VII of the Act remain available for obligation in the succeeding fiscal year only to the extent that the DSU complied with any matching requirement by obligating, in accordance with 34 CFR 76.707, the non-Federal share in the fiscal year for which the funds were appropriated.

34 CFR 367.11(b) states:

With respect to the costs of the program to be carried out by the State pursuant to this part, the State will make available, directly or through donations from public or private entities, non-federal contributions toward these costs in an amount that is not less than $1 for each $9 of Federal funds provided in the grant.

34 CFR 80.20(a), made applicable to the OIB program by 34 CFR 367.4(a)(6), states:

A State must [expend] and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State … must be sufficient to:

(2) Permit preparation of reports required by this part and the statutes authorizing the grant, and

(3) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

34 CFR 80.24(a), made applicable to the OIB program by 34 CFR 367.4(a)(6), in pertinent part, states:

(a) With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties …. 

Finding: MCB failed to submit accurate Financial Status reports (SF-269s) when reporting Federal funds expended and the nonfederal funds expended to meet the match requirements to carryover Federal funds. In both FY 2006 and FY 2008, the SF-269s revealed a match deficit. Although in subsequent revised reports, MCB maintains that match requirements were met for these fiscal years, supporting documentation is needed in order to verify the revised reports.
For FY 2006, RSA noted the following:

At the end of FY 2006 (September 30, 2006), MCB submitted an SF-269 that reported total match of $76,844 for the OIB program, and also reported its entire Federal allotment of $696,810 as either expended or obligated. To utilize the entire FY 2006 allotment, MCB was required to expend a minimum of $77,423. The $76,844 actually expended is $579 less than the required match amount of $77,423.

Subsequent to the completion of RSA’s on-site monitoring visit and discussions related to this finding with MCB financial and program staff, MCB took the following actions:

- MCB submitted a 4th quarter SF-269 for FY 2006. On this report, MCB reported that it had actually expended only $695,629 of the $696,810 in Federal funds appropriated in FY 2006 for the OIB program, leaving $1,181 in Federal funds to carryover to the next fiscal year. According to this form, MCB still spent $4,033 more in Federal funds than it had matched, and it carried over $1,181 when it had not met its match requirement for the fiscal year in which the funds were appropriated.

- MCB submitted a revised FY 2006 SF-269 for the period ending September 30, 2007. This report increased non-Federal expenditures by $22,913 (from $76,844 to $99,757). However, this report ended September 30, 2007, rather than September 30, 2006, the date by which all non-Federal expenditures for match must be made. Upon review, RSA rejected this report and is requiring re-submission by MCB. If the agency is correcting an error to previously reported non-Federal expenditures, and its intention is to report non-federal expenditures that were not included on the SF-269 submitted for the period ending September 30, 2006, a revised report must be submitted for the period ending September 30, 2006, not September 30, 2007.

If the revised report and supporting documentation shows an increase in the non-Federal funds expended in FY 2006 equal to or greater than $448.11, then there would be no match violation, but the repeated revisions to the SF269 to correct deficiencies discovered by the RSA monitoring visit demonstrates a problem with MCB’s fiscal controls and accounting procedures.

For FY 2008, RSA noted the following:

The SF-269 submitted by MCB for FY 2008, ending September 30, 2008, also reflected a match deficit. MCB reported that its entire OIB Program allotment of $672,267 was expended on or before September 30, 2008, with no match ($0) reported for any of the Federal funds used.

Subsequent to the completion of RSA’s on-site monitoring visit and discussions related to this finding with MCB financial and program staff, MCB took the following actions:

- MCB submitted a revised FY 2008 SF-269 that changed previously reported non-Federal expenditures incurred during the fiscal year ending September 30, 2008, from $0 to $90,925. Instead of a non-Federal expenditure deficit of $74,696, MCB is currently reporting an overmatch of $16,229 as of September 30, 2008. Supporting documentation is required, however, to verify the revised report.

Federal regulations at 34 CFR 367.11 require that MCB match the Federal dollars expended with non-Federal expenditures in an amount that is not less than $1 for each $9 of Federal funds provided in the grant and 34 CFR 364.6(b) requires that MCB obligate its match for the Federal grant in the year in which it was appropriated in order to carryover any funds to the succeeding
fiscal year. The original SF-269s submitted by MCB for FY2006 and FY2008 revealed that MCB had failed to obligate the requisite amount of non-Federal funds for match. Even after subsequent revisions to those forms, MCB has failed to show that it met its match requirement for FY2006.

In addition, Federal regulations at 34 CFR 80.20 require MCB to accurately track and report data and financial activities for purposes of the OIB program. MCB’s failure to submit timely and accurate financial reports, as described above, indicates a lack of the required financial controls and accounting procedures and violates this requirement.

**Corrective Action 3:** MCB must:

3.1 cease submitting inaccurate financial reports, SF-269s, as required by 34 CFR 80.20;

3.2 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that will ensure the timeliness, accuracy, and completeness of future financial reports submitted and the accurate accounting of all charges made to the OIB program. MCB also must assure that internal controls are implemented in order to ensure the accuracy of OIB program accounting and reporting;

3.3 submit a plan, including timelines, describing the internal controls that will be implemented to ensure timeliness and accuracy of the financial reports; and

3.4 submit documentation for RSA’s review and approval to support the revised September 30 (year-end) financial status reports submitted for the OIB program for FY 2006 and FY 2008. Upon completion of this review, RSA must be able to determine the following for FY 2006 and FY 2008:

   a) the TOTAL program expenditures at year-end;
   b) the Federal share of total program expenditures;
   c) non-Federal share of total program expenditures;
   d) total obligations;
   e) federal share of obligations; and
   f) non-Federal share of obligations.

RSA reserves the right to pursue enforcement action as it deems appropriate, including the recovery of OIB program funds, pursuant to 34 CFR 80.43 and 34 CFR Part 81 of EDGAR.

**Agency Response:** MCB will:

- cease submitting SF-269 reports with information deemed inappropriate per 34 CFR 361.12, 34 CFR 80.20 and 34 CFR 76.707;
- develop and implement a plan to update the internal controls that ensure timely and accurate submittal of financial and statistical reports; and
- submit a written assurance to RSA within ten days of receipt of the final monitoring report including the specific steps that the agency will take to ensure the accuracy and completeness of financial and statistical reports submitted, the accurate accounting of all charges to the VR program, and internal controls are implemented to ensure the accuracy of VR program accounting and reporting.
MCB has:

- Revised previously submitted 4th quarter (September 30th) and subsequent SF-269 reports for VR, SE, IL, and OIB programs that required corrections from FFY 2005 through FY 2008.

**RSA Response:** In its corrective action plan, MCB should describe the steps it will take to cease the reporting of inappropriate information on the SF-269s and to establish internal controls to ensure the timely and accurate submission of these reports.

**Technical Assistance:** MCB is not requesting technical assistance.
CHAPTER 6:
INDEPENDENT LIVING PROGRAM

IL PROGRAM ADMINISTRATION AND SERVICE DELIVERY

MRC and MCB administer the Part B IL program in MA. MA is a Section 723 state with a network of eleven CILs that meet the Section 725 standards. MRC does not directly provide IL services using Part B funds. Rather, funds for service coordination and purchase of services are contracted out to the CILs and DEAF, Inc., (resources for the deaf and hard of hearing). MRC is responsible for monitoring and oversight of the contracts.

With the exception of the IL program operated by MCB, all CILs in the network and DEAF Inc. are the IL service providers in Massachusetts. MCB provides IL services with Part B funds legally blind individuals in the Commonwealth. Performance data totals for the Part B program were not available during the period of this review and is not included in this report.

MRC and MCB use Part B funds for the operation of the Massachusetts Statewide Independent Living Council (MASILC) and to fund the SILC resource plan. In Massachusetts, only organizations that have obtained 501c (3) certification may enter into contracts. MASILC is not a 501c (3) organization, and therefore, MCB has an interagency service agreement with MRC who in turn contracts with the MetroWest Center for Independent Living, Inc. (MWCIL) to serve as the SILC’s fiduciary agent, and to provide office space for the SILC to carry out its day-to-day operations.

The state awarded 12 contracts in the amount of $330,981 for IL services. This amount reflects expenditures made in FY 2008, and are comprised of a combination of FY 2007, roll-over funds and part of the FY2008, grant award amount.

MASILC was established under Executive Order 373 on September 26, 1994. It is housed independently at the MWCIL in Framingham MA. The SILC develops and implements its own budget separate from MWCIL and the state agencies. The SILC is governed by its own set of bylaws, policies and procedures.

Both the executive order establishing the SILC and the SILC bylaws provide that the MASILC be composed of 44 members: 36 voting and 8 non-voting ex-officio members. The MASILC resource plan is funded with $142,539 of Part B dollars made available by MRC and MCB to carry out SILC statutory functions.

Under a subcontract through MWCIL, the SILC hires an independent consultant to act as its coordinator. The coordinator’s contract is reviewed annually by the SILC chairperson and MWCIL. However, the SILC is responsible for the hiring, firing and supervision of the coordinator.

MRC established the Turning 22 (T22) IL Program in 1986 to design and implement transition services for young people who have a severe physical disability with mobility impairment, and who would need services after high school graduation or after turning 22. The program utilizes the IL philosophy in which consumers are empowered to make their own decisions about their lives based on informed choice. The state-funded T22 IL Program provides funding for two major components: Supported Living, and Ancillary Supports. MRC also operates a state-funded
Transition to Adulthood program, through which Independent Living Centers work with adolescents aged 14 – 22 to help them develop the skills, knowledge and confidence for effective transition to the adult world.

**Personnel**

MRC utilizes a combination of federal and state appropriated IL funds to administer the Part C program. A manager position (state funded) oversees the state and federal budgets for the CILs, reviews and approves all Part C amendments, authorizes payments and is the liaison to the SILC. An IL Program supervisor (federal/state funded) reviews Part C program data for the annual 704 reports, coordinates the consumer satisfaction surveys annually with the CILs, coordinates the compliance review logistics reports and oversees the Part B program. A Grants Management Specialist (state funded) processes payments, trouble shoots budget or payment problems and reconciles payments to the grant.

MCB provides 0.15 FTE professional staff for processing paperwork and arranging for independent living services for legally blind individuals.

MASILC hires an independent consultant to act as its coordinator. The coordinator assists the SILC in carrying out its statutory functions and day-to-day operations.

**Data Management**

MRC collects and compiles required data for the 704 Part I report from the MMARS state accounting system. Consumer data for this report is gathered from MCB and DEAF Inc. (the only non-CIL providers under the Part B SILs program).

Because MA is a 723 state, individual CILs submit their 704 Part II reports to MRC. The agency sends these reports to RSA.

**Quality Assurance**

MRC currently utilizes several staff members to perform various aspects of operation and monitoring for the Title VII Part B program, although only one staff person is funded with Title VII Part B funds (approximately 0.60 of an FTE). This supervisor monitors and coordinates the Title VII Part B program. The supervisor conducts periodic CIL onsite visits to review consumer service records, and evaluates consumer satisfaction surveys. Findings from onsite visits and the results of satisfaction surveys are used to improve the quality of IL services in the Commonwealth.

The Director of IL Services and Assistive Technology spends a small percentage of time overseeing the program and acting as a liaison with the SILC.

Additionally, all CILs in the state conduct annual consumer satisfaction surveys. The size of the center determines the number of surveys sent out to active consumers during the reporting year. All surveys are confidential. Each center sends the results to the DSU (MRC) and the SILC for review. MRC also analyzes and provides to the SILC and CILs aggregate reports on consumer satisfaction and 704 service activities.

Additionally, all CILs in the state conduct annual consumer satisfaction surveys. The size of the center determines the number of surveys sent out to active consumers during the reporting year. All surveys are confidential. Each center sends the results to the DSU (MRC) and the SILC for
review. MRC also analyzes and provides to the SILC and CILs aggregate reports on consumer satisfaction and 704 service activities.

MRC is responsible for oversight and monitoring of the contract with DEAF Inc. for the provision of IL services to individuals who are deaf and hard of hearing, and the contract with MWCIL for SILC operations. Monitoring activities include review of consumer service files and accounting records during onsite visits with DEAF Inc. SILC accounting records are reviewed with MWCIL and the SILC chair.

MCB is responsible for oversight of its IL program that provides services to individuals who are legally blind.

**PLANNING**

Planning for IL is done by the MASILC. The SILC uses the results of consumer satisfaction surveys and information from the 704 reports to provide future direction for the IL program. MA does not have a strategic plan in place for IL.

**IL Program Technical Assistance Provided to MRC During the Review Process**

RSA provided IL program technical assistance to MRC during the review process regarding:

- eligibility determination for IL services provided through contracts, data collection and reporting;
- SILC resource plan development process and use of funds; and
- SPIL development and writing.

**Observations of MRC and Its Stakeholders about the Performance of the IL Program**

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

- MRC supports the development of affordable, accessible housing and other IL services to individuals with disabilities under state-funded IL programs;
- MRC has contracts with CILs to provide work-related IL services to consumers who have VR goals; and
- One of the goals of the present State Plan, should additional funding become available, is to expand the network of CILs to include an additional center that will provide IL services to individuals with disabilities residing in Northwest Boston who are currently underserved.

RSA discussed the observations of its stakeholders with MRC and addressed as many of them as possible either directly or by consolidating them into a broader issue area.
IL PROGRAM PERFORMANCE OBSERVATIONS AND RSA RECOMMENDATIONS

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

1. Impact of Eligibility Certification for State IL Services on Service Delivery

Observation: Information obtained from stakeholders indicates that the eligibility certification process results in a delay of IL service delivery because it increases the time between a consumer request for IL services and when these services are actually delivered. Under the Part B state independent living (SILs) program, MRC certifies consumer eligibility for certain purchased IL services after a CIL has determined that a consumer is eligible for the requested service. MRC staff review applications for IL services, certify eligibility, conduct financial needs determinations directly with consumers and authorize the expenditure of Title VII Part B funds by 8 of the 11 CILs and D.E.A.F. Inc. CILs are not permitted to provide services until MRC staff completes certification of eligibility.

Recommendation 1: RSA recommends that MRC eliminate the need for the DSU to certify eligibility after a CIL has determined that a consumer is eligible for the IL service requested under the SILs program. This recommendation in no way suggests that the DSU change the current process in which CILs submit invoices and receive payment after a requested service has been purchased. Elimination of eligibility certification by the DSU will minimize the time between a request for services and when such services are purchased to meet the consumer’s IL needs.

Agency Response: This system was developed in consultation with the CILs. Historically some CILs have preferred to maintain MRC involvement as they believe that determination of financial need and authorization/denial of services could weaken their role – or the consumer’s perception of such – as advocates. MRC will discuss this issue with the CILs, and determine with them whether to revise the present practice.

Technical Assistance: MRC is not requesting technical assistance.

2. RSA-704 Data Collection and Reporting

Observation: As a Section 723 state, MRC is responsible for submitting the 704 Part II reports for all 11 CILs in the state. A review of the reports submitted for FY 2008 indicated that the centers do not provide adequate information about the types of services requested by consumers and services provided by the CILs. A significant number of the CILs report a high number of “other” for individual services requested/received during the reporting year. Discussions with MRC staff and CIL representatives clarified that data provided in the 704 Part II reports are inadequate because most CILs believe that only information about the four core IL services should be included in the 704 Part II report. Therefore all services requested by consumers and provided by CILs are reported as advocacy, independent living (IL) skills training, information and referral (I&R), and peer counseling; any service that does not easily fit under these categories is reported as “other.”


**Recommendation 2:** RSA recommends that MRC provide training to CIL staff about 704 Part II data collection and reporting. Understanding of IL service definitions should be a part of such training.

**Agency Response:** MRC agrees with the recommendation that further - in fact, ongoing – training in this area is needed.

**Technical Assistance:** MRC is not requesting technical assistance.

3. **State Requirements for SILC Appointments and Composition.**

**Observation:** MASILC is not in compliance with state requirements for SILC appointments and Composition. MASILC is composed of all the members required by the Act and federal regulations. However, the Executive Order establishing the MASILC as well as its bylaws require additional members that are currently not represented; the result is that MASILC is not fully constituted. The executive order establishing the MASILC and the SILC bylaws require 44 members; there are approximately 13 vacancies on the SILC. Discussions with MRC and the MASILC indicate that nominations for new SILC members have been submitted to the governor’s office but no appointments have been made.

**Recommendation 3:** RSA recommends that MRC and the MASILC:

3.1 continue their ongoing effort to obtain the governor’s appointment of new members to the SILC; and

3.2 consider requesting that the governor issue an executive order requiring the MASILC to have a smaller, achievable number of members while still meeting federal requirements.

**Agency Response:** MRC agrees with both of these recommendations, and will explore these issues with the SILC.

**Technical Assistance:** MRC is not requesting technical assistance.

4. **SPIL Development and Writing**

**Observation:** The effective MA SPIL does not contain clearly stated goals and objectives that can be measured and evaluated for improving IL services in the state. The current goals and objectives are broad and consist mainly of systems advocacy activities.

**Recommendation 4:** RSA recommends that all IL partners:

4.1 participate in training regarding SPIL development and writing; and

4.2 consider using the SPIL development and writing materials provided by the review team as they prepare to develop and write the SPIL in FY 2010.

**Agency Response:** MRC agrees with these recommendations.

**Technical Assistance:** MRC is not requesting technical assistance.

**IL Program Compliance Findings and Corrective Actions**

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

1. Use of Funds Made Available to MASILC in the SILC Resource Plan

Legal Requirement: 34 CFR 364.21(g) – The SILC shall 1) jointly develop and sign (in conjunction with the DSU) the State plan; 2) monitor, review and evaluate the implementation of the State plan; 3) Coordinate activities with the State Rehabilitation Advisory Council established under section 105 of the Act and councils that address the needs of specific disability populations and issues under other Federal law; 4) ensure that all regularly scheduled meetings of the SILC are open to the public and sufficient advance notice is provided; and 5) submit to the Secretary all periodic reports as the Secretary may reasonably request and keep all records, and afford access to all records, as the Secretary finds necessary to verify the periodic reports.

Finding: About $50,000 of state funds and other contributions made available to MASILC in its resource plan is set aside for workshops and conferences to be sponsored by MASILC. SILC members may not use resource plan funds to conduct activities that are not related to the SILC’s statutory duties that are outlined in Section 705(c) of the act and §364.21(g), such as hosting or sponsoring workshops and conferences.

Corrective Action 1: MASILC and the IL partners must include in the SILC resource plan only the funds necessary to carry out the SILC’s statutory duties. The funds to be used for activities such as hosting or sponsoring workshops and conferences must be entered in the “other SPIL activities” item of the SPIL financial plan table and retained by the DSU for disbursement.

Agency Response: MRC will include in the SILC resource plan only funds necessary to carry out SILC statutory duties.

RSA Response: In its corrective action plan, MRC should describe the steps it will take to include in the SILC resource plan only the funds necessary to carry out the SILC mandated duties.

Technical Assistance: MRC is not requesting technical assistance.

2. Term limits for SILC members

Legal Requirement: 34 CFR 364.21(b)-(f). Each member of the SILC shall serve for a term of three years, except that:

- a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed must be appointed for the remainder of that term;
- the terms of service of the members initially appointed must be (as specified by the appointing authority) for the fewer number of years as will provide for the expiration of terms on a staggered basis; and
- no member of the SILC may serve for more than two consecutive full terms.

Finding: All state agency representatives on the MASILC have been members for longer than is permitted by federal law and regulation. Both the executive order establishing the MASILC and the SILC bylaws reflect the term limit requirements for all SILC members. Ex-officio
non-voting MASILC members are not subject to the required two consecutive three-year term limits.

**Corrective Action 2:** MRC and the MASILC must ensure that all state agency representatives who are ex-officio non-voting members on the MASILC and who have served more than the required two consecutive three-year term limits are replaced with new members appointed by the governor. The MASILC must take all steps necessary to ensure that all ex-officio non-voting members do not exceed the required term limits, and that expiration of terms for state agency representatives on the SILC are reflected in the annual 704 Part I report.

**Agency Response:** MRC agrees to this action, and together with the SILC will develop a plan whereby state agency representatives will have term limits in compliance with requirements and replacement agency representatives can be identified.

**RSA Response:** In its corrective action plan, MRC should describe the steps it will take with the SILC to ensure that term limits are adhered to for all members.

**Technical Assistance:** MRC is not requesting technical assistance.
CHAPTER 7: INDEPENDENT LIVING FOR OLDER INDIVIDUALS WHO ARE BLIND PROGRAM

The following table provides data on MCB’s OIB program performance in key areas from FY 2006 and FY 2007.

Table 7.1
Massachusetts Program Highlights for ILOB for FY 2006 through FY 2007

<table>
<thead>
<tr>
<th>Expenditures, Performance, and FTEs</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title VII, chapter 2 expenditures</td>
<td>699,667</td>
<td>816,859</td>
</tr>
<tr>
<td>Total expenditures (including chapter 2)</td>
<td>733,426</td>
<td>857,702</td>
</tr>
<tr>
<td>Total served older individuals who are blind</td>
<td>1,042</td>
<td>893</td>
</tr>
<tr>
<td>Total FTEs</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Total FTEs with disabilities</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The number of individuals that MCB’s OIB Program has served from FY 2006 to FY 2008 has decreased by 125, from 1,042 in FY 2006, to 917 in FY 2007.

OIB PROGRAM ADMINISTRATION AND SERVICE DELIVERY

The Massachusetts Commission for the blind, (MCB) is the DSU that, on behalf of the state, receives and administers chapter 2 funds for the OIB program.

MCB provides OIB services directly through the Blind Reintegration for Independence Development and Growth for Elders (BRIDGE) Program. The agency also contracts the management of the vision loss peer support group program to Massachusetts Association for the Blind (MAB) and Sight Loss Services of Cape Cod and the Islands, both are not-for-profit agencies. Additionally, MCB contracts with a public education consultant for approximately 1,000 hours per year to conduct outreach and provide in-service training. Residential skills training and diabetes self-management training are provided through a contract with the Carroll Center.

In all, MCB provides OIB services through four contracts in addition to the direct services provided by agency staff. Program evaluation is conducted through a contract with the Rehabilitation Research and Training Center of the Mississippi State University, (MSU). MCB expended $754,293 on contracts and to purchase OIB services.

Personnel

MCB uses a program director and three case workers to provide direct services to OIB consumers.

The BRIDGE program has been identified as having peer support groups throughout the state of Massachusetts that are very active. More than 300 legally blind elders have participated in these
groups during each of the past five years, sharing experiences and together learning techniques to better cope with blindness.

Data Management

MCB utilizes a web based case management system (CMS) supported by an SQL server. The agency has several different service programs, some are state funded and some are funded under the Rehabilitation Act. The agency’s electronic case management system is linked to a central registry with over 38,000 entries. Like the VR program and the Social Services program, BRIDGE receives referrals from this same central registry system which avoids duplication of cases between programs. Data for the annual 7-OB report is compiled using a combination of information from the electronic case management and reports submitted by BRIDGE program’s contractors.

Quality Assurance

MCB contracts with Mississippi State University to conduct program evaluation and consumer surveys. The agency receives reports from all its contractors about each consumer served. The information generated from these sources is used to complete the annual 7-OB report and evaluate the performance of the program.

Planning

Planning for the OIB program is done by agency staff using information made available in reports from OIB contractors and the results of evaluation conducted by MSU. MCB does not have a strategic plan for the OIB program.

OIB Program Technical Assistance Provided to MCB during the Review Process

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

- quality assurance;
- oversight and monitoring of OIB contracts; and
- strategic planning.

Observations of MCB and Its Stakeholders about the Performance of the OIB Program

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

- in Massachusetts, all eye care providers are required to report clients who are determined to be legally blind to MCB for services within 30 days of the date of eye examination;
- MCB needs to improve communication between OIB staff, contractors and consumers about services available through the program; and
- in addition to OIB, MCB makes specialized services available to legally blind elders through its IL social services program.
RSA discussed the observations of its stakeholders with MCB and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

**OIB Program Performance Observations and RSA Recommendations**

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

1. **Quality Assurance, Oversight and Monitoring of OIB Contracts**

   **Observation:** MCB does not have a formal process for conducting oversight and monitoring of OIB contracts. The agency relies on reports provided by its contractors on each individual served through a contract, and on the results of evaluation conducted by MSU to obtain information about program performance. The lack of a formal process for conducting oversight and monitoring of contracts makes it difficult to evaluate program performance and to develop strategies for improvement.

   **Recommendation 1:** RSA recommends that MCB put in place a formal process for conducting oversight and monitoring of all OIB contracts. This can be done by developing written policies and procedures that should be made available to all contractors and OIB staff. Having a formal process in place will enable MCB to consistently evaluate OIB contracts, and to ensure that each contract yields quality results.

   **Agency Response:** MCB will put in place a more formal process for conducting oversight and monitoring of all OIB contracts.

   **Technical Assistance:** MCB is not requesting technical assistance.

2. **Strategic Planning**

   **Observation:** MCB does not have a strategic plan specifically for its OIB program. Discussions with the program manager and staff indicate that the agency has a vision for improving the way OIB services are provided, and that they have identified goals for making this vision a reality. However, the program manager and staff do not have a written strategic plan, and it is unclear how OIB consumers will participate in program improvement, or in the development of such a plan.

   **Recommendation 2:** RSA recommends that MCB:

   2.1 work with OIB program staff and consumers to develop a written strategic plan for the improvement and future of the program;

   2.2 develop specific program goals and objectives in that plan; and

   2.3 provide for consumer involvement and participation in the achievement of the goals and objectives.

   **Agency Response:** The OIB program will be included in the new agency strategic plan being developed in collaboration with staff and consumers during FY 2010.

   **Technical Assistance:** MCB is not requesting technical assistance.
CHAPTER 8:  
PROGRESS ON ISSUES RAISED IN  
PREVIOUS REVIEWS OF MRC

As a result of the RSA review conducted with MRC in FY 2003-2004, the agency developed a Corrective Action Plan (CAP). A summary of the progress that MRC has made on the CAP is provided below.

CORRECTIVE ACTION PLAN

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

- the composition of the SRC;
- the presumptive eligibility requirement;
- the timely provision of services identified on the IPE;
- Verification that consumers who achieve competitive outcomes are receiving customary wages and levels of benefits equal to those of individuals in the same or similar work who are non-disabled;
- documentation of regular contact between the counselor and consumer in case records;
- the development of an informational policy memo and update the policy manual in the following areas:
  - referrals;
  - other Services;
  - Supported Employment;
  - Transition Services;
  - Other Goods and Services;
- individuals who attain homemaker outcomes have this goal clearly identified in the IPE, amendments and progress notes; and
- modification of the existing policy on transportation to include waiver language to eliminate the absolute dollar value in the existing policy.

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

1. **Eligibility Decisions:** MRC will ensure that eligibility decisions are completed efficiently within 60 days.

**Status:** The state monitoring team reviewed MRC data prior to the onsite visit and discussed the data with MRC. From FY 2003 to FY 2007, on averaged 62.07 percent of MRC’s consumers had
their eligibility determined within 60 days. The range went from a low of 59.3 percent to a high of 66 percent. MRC will revise the current CAP to focus on this area.

2. **IPE Development**: MRC will ensure IPE's are developed in a timely manner following all MRC guidelines.

**Status**: The state monitoring team reviewed MRC data prior to the onsite visit and discussed the data with MRC. RSA determined through its review of MRC data that:

- 26.9 percent of IPEs were developed within 90 days of eligibility compared to 71.7 percent nationally;
- the IPE for 49 percent of consumers was completed within nine months of eligibility compared to 87.8 percent nationally;
- the IPE for 17.7 percent of consumers was completed in one to two years from eligibility compared to 4.9 percent nationally; and
- 25.1 percent of IPEs were developed in excess of two years compared to 4.3 percent nationally.

MRC standard is 180 days. MRC will revise the current CAP to focus on this area.

3. **Employment for 90 days**: MRC will ensure that individuals whose cases are closed in status 26 have been employed for a minimum of 90 days.

**Status**: The state monitoring team reviewed MRC data prior to the onsite visit and discussed the data with MRC. RSA noted that 43.1 percent of individuals served by MRC went from IPE to successful closure in 3 months or less compared to 11.8% nationally. Further data review indicated that 9 percent went from IPE to employment on the same day. MRC will revise the current CAP to focus on this area.
CHAPTER 9: PROGRESS ON ISSUES RAISED IN PREVIOUS REVIEWS OF MCB

As a result of the RSA review conducted with MCB in FY 2003-2004, the agency developed a Corrective Action Plan (CAP). A summary of the progress that MCB has made on the CAP is provided below.

CORRECTIVE ACTION PLAN

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

- development of interagency agreements with Institutions of Higher Education throughout the state of Massachusetts;
- the composition of the SRC;
- presumptive eligibility;
- the development of each eligible individual’s IPE within applicable timelines, or, as appropriate, that delays to IPE development are justified, and that such delays are reasonable and consistent with the informed choice of the individual;
- the development or amendment of IPEs to include all VR services provided to the eligible consumer;
- verification that consumers who achieve competitive outcomes are receiving customary wages and levels of benefits equal to those of individuals in the same or similar work who are non-disabled; and
- equal access of services by consumers from minority backgrounds.

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

1. **Revise the self-employment policy to include a waiver statement and requirements for closure.** MCB must revise the policy to include a waiver statement for any consumer in a self-employment plan.

   **Status:** The state monitoring team reviewed MCB policies prior to the onsite visit and discussed policy changes MCB must still make to meet the CAP corrective action plan from FY 2004. A waiver statement for self-employment is one of those policies requiring revision. MCB is in the process of revising the policy.

2. **Consumer Choice Policy Revision.** MCB must revise the policies to ensure that the provision of all VR services is consistent with the informed choice of the consumer

   **Status:** The state monitoring team reviewed MCB policies prior to the onsite visit and discussed policy changes MCB must still make to meet the CAP corrective action. The Consumer Choice policy is one policy requiring revision. MCB is in the processes of revising the policy.
3. **Policy Revision:** MCB must revise the policies on transportation, supported employment, personal assistance services and transition services.

**Status:** The state monitoring team reviewed MCB policies prior to the onsite visit and discussed policy changes MCB must still make to meet the CAP corrective action. MCB is in the process of revising these policies.
APPENDIX: SOURCES OF DATA

VR AND SE PROGRAM HIGHLIGHTS

- Total funds expended on VR and SE – RSA-2 line 1.4
- Individuals whose cases were closed with employment outcomes - RSA-113 line D1
- Individuals whose cases were closed without employment outcomes - RSA-113 line D2
- Total number of individuals whose cases were closed after receiving services – RSA-113 line D1+D2
- Employment rate – RSA-113 line D1 divided by sum of RSA-113 line D1+D2, multiplied by 100
- Individuals whose cases were closed with SE outcomes – Total number of individuals whose employment status at closure (record position 161) = 7 in the RSA-911 report
- New applicants per million state populations – 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 application 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 application is 14-24 and whose type of closure (record position 198) = 3 divided by the number of individuals whose age at application 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

• Standard 1 – To achieve successful performance on Evaluation Standard 1 the DSU must meet or exceed the performance levels established for four of the six performance indicators in the evaluation standard, including meeting or exceeding the performance levels for two of the three primary indicators (Performance Indicators 1.3, 1.4, and 1.5).

• Standard 2 – To achieve successful performance on Evaluation Standard 2, the DSU must meet or exceed the performance level established for Performance Indicator 2.1 (.80) or if a DSU's performance does not meet or exceed the performance level required for Performance Indicator 2.1, or if fewer than 100 individuals from a minority population have exited the VR program during the reporting period, the DSU must describe the policies it has adopted or will adopt and the steps it has taken or will take to ensure that individuals with disabilities from minority backgrounds have equal access to VR services.

IL PROGRAM HIGHLIGHTS (FROM RSA 704 REPORT)

• Title VII, Chapter 1, Part B Funds – Subpart I, Administrative Data, Section A, Item 1(A)

• Total Resources (including Part B funds) – Subpart I, Administrative Data, Section A, Item 4

• Total Served - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section A(3)

• Total Consumer Service Records Closed - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B(6)

• Cases Closed - Completed All Goals - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B(4)

• Total Goals Set - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L)

• Total Goals Met - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L)
• Total individuals accessing previously unavailable transportation, health care, and assistive technology - Subpart III, Section B, Item 2, sum of (A) + (B) + (C)
• Total FTEs - Subpart I, Section F, sum of Item 2 for the column
• Total FTEs with Disabilities - Subpart I, Section F, sum of Item 2 for the column

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

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