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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 Utah (UT):

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

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

There is one VR agency for all eligible individuals with disabilities with responsibility for the VR, SE, IL, and OIB programs in Utah. The Utah State Board of Education (USBE) is the designated state agency, and USOR is the designated state unit (DSU). USOR is responsible for the four programs, working in partnership with the UT State Rehabilitation Council (SRC) on the VR and SE programs, and with the UT SILC on the IL part B program. USOR oversees four main divisions that include: the Division of Rehabilitation Services (DRS), the Division of Services for Blind and Visually Impaired (DSBVI), Division of Services to the Deaf and Hard of Hearing (DSDHH), and the Division of Disability Determination Services (DDS).

USOR’s Performance Over the Past Five Years

From FY 2003 to FY 2007, USOR’s employment rate increased from 60.2 percent to 72.6 percent; the number of new applicants decreased from 9,125 to 6,730; the number of individuals served decreased from 16,261 to 14,240; and the average hourly earnings increased from $10.01 to $10.54.

For the same period, of those individuals who achieved an employment outcome, the number who achieved a SE outcome decreased by 24, from 134 to 110, and these individuals’ average hourly earnings decreased from $8.27 to $6.50.

Through contracts with the five centers for independent living (CILs) in UT, the number of individuals that UT’s IL part B program served increased from 4,822 in FY 2006 to 5,215 in FY 2008. Since UT did not include the number of individuals served with state funds in its OIB program in its FY 2008 annual 7-OB performance report, the total number of individuals served was not available for this report.

Strengths and Challenges: RSA identified the following programmatic strengths that contributed to USOR’s high or improved performance as well as the challenges USOR faces in these efforts to improve its performance.
Strengths:

- The state of UT makes a significant funding contribution to support the programs funded under the Act. The IL program receives slightly over $3,000,000 for use in expanding IL services, assistive technology (AT) services and nursing home technology services. The state funds represent twice the total of the combined federal Title VII parts B and C (CIL) program funds. In the OIB program, state funds are used to provide AT services, low vision aids, and adjustment to blindness services through UT’s training center. State funds have increased UT’s capacity to serve more individuals in both the IL part B, IL part C, and OIB programs.
- In FY 2009, USOR purchased a state-of-the-art video-conferencing system that is widely used for staff meetings and facilitates managers’ effective supervision of rural offices. Several rural offices now conduct weekly staff meetings exclusively by video-conference. This system has improved communication throughout the agency.
- The Utah Center for Assistive Technology (UCAT) is a state-funded interagency resource coordinated through USOR that provides information and referral services, technical services, and a computer center. The computer center provides workshops, individual instruction, and support to public school teams with respect to augmentative communication devices that can help students interact with teachers, family, and friends.
- In response to a 62 percent turnover rate for VR counselors, supervisors, and administrative staff over the past three years, USOR was able to successfully implement an 18.8 percent pay increase as of July 2008. At the time of the on-site visit, there had been only one staff departure due to retirement.
- USOR communicates effectively with its SRC. The SRC meets monthly and actively participates in planning, policy development, and key management meetings.
- In 1995, USOR developed and implemented a VR case management system called Integrated Rehabilitation Information System (IRIS) to manage and administer the state’s VR service records. An outstanding feature of IRIS is its ability to interact with USBE’s accounting system that records all expenditures relating to a consumer’s authorizations. This feature avoids discrepancies between a consumer’s expenditures in the case management system and payments of vouchers in the accounting system. An individual’s service record cannot be closed until all bills are paid.
- IRIS contains many templates for letters and reports that are commonly used by counselors at different stages of the VR process. The reports provide agency managers and counselors with caseload statistics.
- IRIS has the capacity to indirectly link with Social Security Administration’s (SSA) database for Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) cases via the UT Department of Work Services. This link assists USOR to manage the SSI/SSDI caseload and improve data reliability and validity.

Challenges:

- Due in part to a history of high staff turnover among USOR and the school systems, USOR’s school transition relationships continue to require cultivation and development at all levels, including ongoing information and training provided to school transition staff regarding VR’s role in the transition process.
- Lack of extended services for individuals in SE continues to be a challenge for USOR. In 2006, House Bill (HB) 31 funded a $150,000 two-year SE project that placed one hundred individuals into SE. Its success led to HB 45 in 2008, intended to fund extended services for another fifty individuals. At the time of the on-site visit, this bill had not passed the legislature. While there are indications that these funds may become available in 2009, funding for extended services continues to be a challenge.

- USOR needs to effectively manage its budget in order to meet its maintenance of effort (MOE) requirement.

- The rural geography of the state challenges service delivery to participants in the IL part B and OIB programs. Although USOR has used teleconferencing and web-conferencing to increase communication among staff, providing IL services to those underserved in the rural parts of the state remains difficult.
INTRODUCTION

Section 107 of the Act requires the commissioner of 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 whether 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.

Appreciation

RSA wishes to express appreciation to the representatives of the USBE and USOR, the SRC, the SILC, and the stakeholders who assisted the RSA monitoring team in the review of USOR.
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 USOR 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 USOR’s performance.

Review Process Activities

During the review process, the RSA USOR 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 TA during the review process;
- identified areas of consistently high performance and areas of improved performance;
- identified performance areas for improvement and recommended that USOR undertake specific actions to improve its performance;
- identified compliance findings and required USOR to take corrective action;
- in collaboration with USOR determined whether RSA would provide TA to improve its performance or correct compliance findings;
- identified continuing education needs of USOR staff; and
- identified issues for further review.

RSA USOR State Team Review Participants

Members of RSA’s UT review team included representatives from each of RSA’s State Monitoring and Program Improvement’s (SMPID’s) five functional units. The RSA UT team was led by RSA’s state liaison to UT, Christyne Cavataio (VR Unit) and the following RSA UT state team members: Sue Rankin-White (TA Unit), Charles Sadler (TA Unit), Regina Luster (Fiscal Unit), Craig McManus (Fiscal Unit), Deborah Cotter (IL Unit), Jean Yan (Data Unit), Julya Steyh (Data Unit), and David Jones (VR Unit).

Information Gathering

During FY 2009, RSA began its review of USOR by analyzing information including, but not limited to, RSA’s various data collections, USOR’s VR and IL State Plans, and the USOR SRC’s Annual Report. After completing its internal review, the RSA team carried out the following
information gathering activities with USOR and stakeholders in order to gain a greater understanding of USOR’s strengths and challenges:

- conducted four teleconferences and 15 individual phone calls with VR and IL stakeholders, USOR management and program staff, SILC members and administrative staff, SRC members, and representatives from the Council for Blind and Visually Impaired (CBVI) and the Parent Training Center; and
- conducted an on-site monitoring visit from March 23 through March 27, 2009, and met with staff members and representatives from USOR, the Client Assistance Program (CAP) and the Protection and Advocacy for Individual Rights (PAIR) Program, the SILC and SRC, the Department of Workforce Services (DWS), and Choose to Work Program.
CHAPTER 2: USOR’s Vocational Rehabilitation and Supported Employment Programs

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

Table 2.1
Program Highlights for USOR VR and SE Program for FY 2003 through FY 2007

<table>
<thead>
<tr>
<th>Program Highlights</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>$32,098,766</td>
<td>$36,014,148</td>
<td>$34,373,865</td>
<td>$36,423,301</td>
<td>$36,211,876</td>
</tr>
<tr>
<td>Individuals whose cases were closed with employment outcomes</td>
<td>2,932</td>
<td>2,817</td>
<td>3,109</td>
<td>3,186</td>
<td>3,156</td>
</tr>
<tr>
<td>Individuals whose cases were closed without employment outcomes</td>
<td>1,940</td>
<td>1,965</td>
<td>2,234</td>
<td>1,808</td>
<td>1,193</td>
</tr>
<tr>
<td>Total number of individuals whose cases were closed after receiving services</td>
<td>4,872</td>
<td>4,782</td>
<td>5,343</td>
<td>4,994</td>
<td>4,349</td>
</tr>
<tr>
<td>Employment rate</td>
<td>60.18%</td>
<td>58.91%</td>
<td>58.19%</td>
<td>63.80%</td>
<td>72.57%</td>
</tr>
<tr>
<td>Individuals whose cases were closed with SE outcomes</td>
<td>134</td>
<td>80</td>
<td>107</td>
<td>106</td>
<td>110</td>
</tr>
<tr>
<td>New applicants per million state population</td>
<td>3,882.98</td>
<td>3,553.14</td>
<td>3,155.87</td>
<td>2,645.10</td>
<td>2,539.62</td>
</tr>
<tr>
<td>Average cost per employment outcome</td>
<td>$3,947.41</td>
<td>$3,981.17</td>
<td>$4,183.23</td>
<td>$4,446.51</td>
<td>$4,449.74</td>
</tr>
<tr>
<td>Average cost per unsuccessful employment outcome</td>
<td>$2,163.54</td>
<td>$2,133.29</td>
<td>$2,166.16</td>
<td>$2,424.79</td>
<td>$2,494.48</td>
</tr>
<tr>
<td>Average hourly earnings for competitive employment outcomes</td>
<td>$10.23</td>
<td>$9.95</td>
<td>$10.45</td>
<td>$10.55</td>
<td>$10.69</td>
</tr>
<tr>
<td>Average state hourly earnings</td>
<td>$14.95</td>
<td>$15.25</td>
<td>$15.87</td>
<td>$16.64</td>
<td>$17.59</td>
</tr>
<tr>
<td>Percent average hourly earnings for competitive employment outcomes to state average hourly earnings</td>
<td>68.43%</td>
<td>65.25%</td>
<td>65.85%</td>
<td>63.40%</td>
<td>60.77%</td>
</tr>
<tr>
<td>Average hours worked per week for competitive employment outcomes</td>
<td>34.98</td>
<td>35.60</td>
<td>35.02</td>
<td>34.78</td>
<td>34.84</td>
</tr>
<tr>
<td>Percent of transition age served to total served</td>
<td>31.01%</td>
<td>30.95%</td>
<td>29.14%</td>
<td>29.28%</td>
<td>27.82%</td>
</tr>
<tr>
<td>Employment rate for transition population served</td>
<td>59.17%</td>
<td>59.05%</td>
<td>58.90%</td>
<td>66.35%</td>
<td>76.45%</td>
</tr>
<tr>
<td>Average time between application and closure (in months) for individuals with competitive employment outcomes</td>
<td>30.4</td>
<td>30.5</td>
<td>30.6</td>
<td>31.4</td>
<td>31.6</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

USOR has 29 offices divided into nine districts with oversight by three administrative level field service directors. The agency was not operating on an order of selection at the time of this review. USOR contracts with approximately 43 community rehabilitation programs (CRPs) with locations primarily in metropolitan Salt Lake City. USOR utilizes its video-conferencing system to facilitate communication within the state.

USOR recently hired five dedicated transition specialists to facilitate communication and earlier referrals within a highly decentralized school system where there are 41 separate cooperative agreements between USOR and the local school districts. USOR coordinates with special educators and administrators through transition roundtable meetings and meets quarterly with a transition committee developed to share effective practices among counselors. While USOR’s employment rate of 75.3 percent for the transition-aged youths served is highest among its peers,\(^1\) and higher than the national combined agency average of 59.8 percent, transition-aged youths receiving VR services comprise only 17.8 percent of the total USOR individuals served. This is lowest amongst its peer group and below the national combined agency average of 34.8 percent (Table 2.2).

Table 2.2
USOR Peer Comparison of Closure Performance – Transition-Aged Youths (ages 14-24) Using Age at Application for FY 2007

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>With employment</td>
<td>584</td>
<td>825</td>
<td>463</td>
<td>622</td>
<td>789</td>
<td>622</td>
<td>2(^{nd}) lowest</td>
</tr>
<tr>
<td>Without employment</td>
<td>192</td>
<td>291</td>
<td>315</td>
<td>1,145</td>
<td>449</td>
<td>315</td>
<td>Lowest</td>
</tr>
<tr>
<td>Employment rate</td>
<td>75.3%</td>
<td>73.9%</td>
<td>59.5%</td>
<td>35.2%</td>
<td>63.7%</td>
<td>63.7%</td>
<td>Highest</td>
</tr>
<tr>
<td>Percent of transition-aged youths served to total served</td>
<td>17.8%</td>
<td>28.0%</td>
<td>25.6%</td>
<td>34.9%</td>
<td>49.1%</td>
<td>28.0%</td>
<td>Lowest</td>
</tr>
</tbody>
</table>

USOR is committed to improving the SE program. During FY 2007, 3.5 percent of individuals who were successfully rehabilitated achieved SE outcomes, lower than the national combined agency average of 9.7 percent and peer median of 5.0 percent (Table 2.3). In addition to USOR establishing fee-for-service agreements with entities providing SE services throughout the state, USOR collaborates with the Division of Services for People with Disabilities (DSPD) to target

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\(^1\) USOR’s peer group of states that receive approximately the same amount of federal Title I funds consists of combined VR agencies in Colorado, Kansas, Oklahoma, and West Virginia.
individuals with the most significant disabilities who are eligible for services from both programs. Partnerships are established by forming employment networks (ENs) throughout the state in order to identify community support providers for funding extended services.

Table 2.3
USOR Peer Comparison – Percent of Individuals with SE to Total Employment Outcomes for FY 2007

<table>
<thead>
<tr>
<th>Individuals whose cases were closed after receiving services</th>
<th>General / Combined Average</th>
<th>UT Combined</th>
<th>CO Combined</th>
<th>KS Combined</th>
<th>OK Combined</th>
<th>WV Combined</th>
<th>Peer Median</th>
<th>Comparison with Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total successful employment outcomes</td>
<td>3,561</td>
<td>3,156</td>
<td>2,509</td>
<td>1,853</td>
<td>2,218</td>
<td>1,587</td>
<td>2,218</td>
<td>Highest</td>
</tr>
<tr>
<td>Percent closed in SE</td>
<td>9.7%</td>
<td>3.5%</td>
<td>10.6%</td>
<td>8.5%</td>
<td>5.0%</td>
<td>4.2%</td>
<td>5.0%</td>
<td>Lowest</td>
</tr>
</tbody>
</table>

USOR is involved in several collaborative employment related programs and pilots. In collaboration with DWS, the Choose to Work program provides job search and placement assistance for individuals through 21 employment specialists statewide, seven of which are USOR employees. Benefits planners within USOR’s DRS provide information and advocacy resulting in improved employment outcomes for SSI and SSDI recipients. Other collaborative efforts have been carried out through participation in the Ticket to Work (TTW) national pilot and the Governor’s Committee Taskforce.

Personnel

USOR increased its staff by 14 percent from FY 2007 to FY 2008. In FY 2008, USOR employed 257 full-time equivalents (FTEs) with 127 VR counselors, 102 support staff, 24 administrative staff, and four individuals categorized in other staff category (Table 2.4). Since FY 2007, there has been a 15.5 percent increase in the number of VR counselors. The staff increase resulted from USOR’s implementation of an 18.8 percent pay increase in July 2008 to respond to high staff turnover. Since the pay and personnel increase, the turnover rate has been low and USOR has become a more competitive employer, attracting more qualified applicants.

Table 2.4
USOR Staff Breakdown as Reported for FY 2007 and FY 2008

<table>
<thead>
<tr>
<th>Staff</th>
<th>2007</th>
<th>2007 Percentage</th>
<th>2008</th>
<th>2008 Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Staff</td>
<td>24</td>
<td>10.6%</td>
<td>24</td>
<td>9.3%</td>
</tr>
<tr>
<td>Counselors</td>
<td>110</td>
<td>48.9%</td>
<td>127</td>
<td>49.4%</td>
</tr>
<tr>
<td>Support Staff</td>
<td>87</td>
<td>38.7%</td>
<td>102</td>
<td>39.7%</td>
</tr>
<tr>
<td>Other Staff</td>
<td>4</td>
<td>1.8%</td>
<td>4</td>
<td>1.6%</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>100.0%</td>
<td>257</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
The USOR Comprehensive System of Personnel Development (CSPD) standard requires that VR counselors, supervising counselors, and district directors meet one of the following criteria:

- national certification as a Certified Rehabilitation Counselor (CRC);
- master’s degree in rehabilitation counseling; or
- master’s degree in a counseling field, plus five years of experience as a VR counselor including 12 months supervision under a CRC.

Currently, 90 staff members are nationally certified under the CSPD standard and 44 staff members are working toward meeting the CSPD standard. Training support is made available by USOR for those who do not meet the standard that must be achieved within five years of the date of hire. Staff development is also made available to all levels of the organization through extensive use of video-conferencing.

Succession planning for staff is guided through the Leadership Development Group Initiative (LDGI) and Horizons Leadership Task Force (HLTF). The LDGI is designed to empower managers to suggest organizational improvements that are identified through bimonthly meetings. USOR further expanded this program to include a component for non-managers to apply for leadership opportunities through participation in HLTF, a six member team that meets monthly for a period not to exceed six months to address an assigned organizational issue. The HLTF submits its recommendations in a report to USOR management, and an implementation plan is developed.

**Data Management**

USOR has three data systems to manage its VR, IL and OIB programs. The system for VR data is the most comprehensive and contains the IL subsystem. The system for OIB data is independent from the other two and was designed to accommodate the special characteristics of its service population. Managers and staff have different levels of access to system information. The agency administrator and the staff member in charge of the system have full access and the capacity to edit some data elements in the system.

USOR’s IRIS is a stand-alone case management system. RSA-113 report data are generated from the system and transferred to a spreadsheet before being inputted into RSA’s management information system (MIS). RSA-911 report data are prepared similarly, except the data are submitted to RSA as a zip file.

IRIS uses a special consumer identification, instead of a Social Security number, as the record identifier and acknowledges the date on the application and the individualized plan for employment (IPE) as dates to be entered into the system. This system allows backdating and contains numerous built-in templates for report and letter preparation.

USOR uses the RSA_EDIT program to verify data accuracy in addition to some built-in edits. The system allows corrections for errors as well. All the data are backed up daily.

A USOR system trainer provides training on IRIS to all new counselors and to all staff whenever
a new feature is developed, revised or updated. The agency established a special committee consisting of system users who meet bimonthly to discuss issues related to system management.

**Quality Assurance (QA)**

In 2007, USOR established the Program Planning and Evaluation Unit (PPEU) to improve the QA process. The unit integrates both monitoring and survey tools to better assist the agency with planning under areas of customer service, staff professional development, policy and procedures, and financial. The unit distributes individual reports for district directors to benchmark performance and integrates the data to create statewide reports to be used as a source of reference for the executive director and SRC to enable more informed decision-making. The unit is beginning to further assess how to more effectively integrate the QA tools into its comprehensive statewide needs assessment (CSNA) based on its recently released Program Evaluation and QA Manual.

The PPEU works closely with units throughout the organization to integrate QA for USOR. The unit collaborates with the SRC to conduct a quarterly customer satisfaction survey of a random sample of approximately one-third of consumers who exited the program after receiving VR services during the previous quarter. The unit also collaborates with the Staff Advisory Committee (SAC), a 23-member group that functions as an organizational antenna. The SAC is comprised mostly of non-managerial regional staff from the nine district offices along with designated headquarters staff.

**Planning**

UT’s SRC and CAP continue to be involved with the development and implementation of USOR’s strategic plan. The next CSNA is scheduled for completion in July 2010. The assessment is a product of the partnership between the SRC and USOR in conjunction with researchers from the Utah State University Center for Persons with Disabilities. Feedback was received from town hall meetings, surveys of VR counselors, and VR clients with open and closed cases.

**Areas of Consistently High or Improved VR and/or SE Performance**

1. **Employment Rates**

   Table 2.5 indicates USOR achieved consistently higher employment rates than the national average of the combined agencies from FY 2003 to FY 2007, increasing from 60.2 percent to 72.6 percent.
Table 2.5
USOR Closure Performance in Employment Rates for the Agency versus National Combined from FY 2003 through FY 2007

<table>
<thead>
<tr>
<th>Employment Rate</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Changes from 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>USOR</td>
<td>60.2%</td>
<td>58.9%</td>
<td>58.2%</td>
<td>63.8%</td>
<td>72.6%</td>
<td>+12.4%</td>
</tr>
<tr>
<td>Combined Agencies Average</td>
<td>59.4%</td>
<td>58.8%</td>
<td>57.7%</td>
<td>58.8%</td>
<td>59.4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Multiple factors contribute to this success. UT has had a consistently strong economy with a low unemployment rate. USOR’s management communicates effectively to all levels of the organization. Hiring and retaining highly qualified staff is a USOR priority. USOR’s support of staff development and training provides counseling and management staff the opportunity to meet CRC continuing education requirements within one year.

2. SSI/SSDI Employment Rates

Table 2.6 indicates that USOR achieved consistently higher employment rates for SSI recipients, SSDI beneficiaries, and individuals who received both SSI and SSDI between FY 2003 and FY 2007. Specifically, there was an increase of 15.5 percent among SSI recipients, 16.9 percent among SSDI beneficiaries, and 29.1 percent among those receiving both SSI and SSDI from FY 2003 to FY 2007.

Table 2.6
USOR Closure Performance in Employment Rates for SSI Recipients and SSDI Beneficiaries at Closure for FY 2003 through FY 2007

<table>
<thead>
<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SSI Recipients</td>
<td>44.2%</td>
<td>44.1%</td>
<td>43.4%</td>
<td>46.6%</td>
<td>59.6%</td>
<td>15.5%</td>
<td>43.2%</td>
</tr>
<tr>
<td>SSDI Beneficiaries</td>
<td>51.7%</td>
<td>49.8%</td>
<td>60.4%</td>
<td>62.4%</td>
<td>68.6%</td>
<td>16.9%</td>
<td>52.5%</td>
</tr>
<tr>
<td>SSI and SSDI</td>
<td>34.7%</td>
<td>38.5%</td>
<td>37.7%</td>
<td>59.7%</td>
<td>63.8%</td>
<td>29.1%</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

USOR collaborates with DRS to employ benefits planners statewide who provide information to SSI recipients and SSDI beneficiaries, resulting in improved employment outcomes for participants.

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

RSA provided the following VR and SE program TA to USOR during the review process.

- MIS demonstration: RSA provided a demonstration to USOR management staff regarding the use of the RSA MIS system, including data application and methods for querying.
• Residency Policy: As stated in 34 CFR 361.42(c)(1) Prohibited Factors, the State Plan must assure that no duration of residence requirement is imposed that excludes from services any applicant who is present in the state. USOR’s policy manual Chapter 2.6 interpreted the word “present” to mean “someone who is living in the state and will be in the state long enough, and will be available, to complete an Individualized Plan for Employment.” RSA requested that the duration of residency language “in the state long enough and will be” to be removed. USOR completed this change at the time of the monitoring on-site visit and is now consistent with 34 CFR 361.42(c)(1).

• Fee Structure Policy: Chapter 8.1 of USOR’s policy manual stated that “placement services provided by USOR personnel” did not require a financial need determination, thereby implying that placement services provided by another source would be subject to such a determination. VR regulations at 34 CFR 361.48(l) state that the “designated State unit must ensure that certain vocational rehabilitation services are available to assist the individual with the disability in preparing for, securing, retaining, or regaining an employment outcome, and includes job-related services, including job search and placement assistance, job retention services, follow-up services, and follow-along services.” In conjunction with the monitoring site-visit, USOR amended policy 8.1, striking “provided by USOR personnel,” and the policy is now consistent with CFR 361.48(l).

• Social Security Fund Use: USOR requested guidance regarding whether or not the State VR agency must exhaust program income prior to drawing down federal funds under the Act. RSA provided guidance to USOR stating that the State VR agency must exhaust program income prior to drawing down federal funds under the Act. Under 34 CFR 80.21(f)(2) of the Education Department General Administrative Regulations (EDGAR), “grantees…shall disburse program income…and interest earned on such funds before requesting additional cash payments.” Although the State VR agency has the ability to use the program income earned from Social Security reimbursements for several different programs funded under the Act (see section 108 of the Act and 34 CFR 31.63(c)(2) of the VR regulations), the State VR agency, as stated in 34 CFR 80.21(f)(2), must first use Social Security reimbursements before requesting additional Federal Funds under the Act.

• VR Services Interruption Duration: RSA clarified for USOR that there is no time limit for an individual to remain in services interrupted status. VR regulations at 34 CFR 361.50(d)(2) state that “the State unit may not establish absolute time limits on the provision of specific services or on the provision of services to an individual. The duration of each service needed by an individual must be determined on an individual basis and reflected in that individual’s individualized plan for employment.”

Observations of USOR and Its Stakeholders about the Performance of the VR and SE Programs

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

13
• USOR’s management articulates a clear vision for the VR program that is grounded in the achievement of high quality employment outcomes and promoted widely throughout the organization as well as externally to stakeholders.

• USOR management conveys clear performance expectations to all, as well as the meaning or impact of any agency policy or legislative action.

• USOR needs to increase the number of transition students served. Primarily, there needs to be closer collaboration between the schools and VR at all levels of the school system. Also, in addition to high turnover among high school transition staff, until 2008, USOR experienced high turnover, creating difficulty for staff to maintain productive relationships.

• The proportion of USOR consumers served who have mental illness is very high at 44.9 percent compared to the national average of 28.1 percent for combined VR agencies in 2007. However, USOR and some stakeholders noted there were systemic reasons for this occurrence. For example, the largest private service provider in the state, Deseret Industries, does not provide mental health services. Therefore, those individuals with mental health disabilities who do not meet the criteria of local mental health agencies turn to VR for assistance with employment. Additionally, USOR notes that according to a 2007 study by Mental Health America, UT has the highest rate of depression in the country.

• SE is an area of concern given the minimal resources available for extended services and the tenuousness of receiving substantial future state funding for the same.

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

Continuing Education Needs of USOR Staff

RSA solicited input from USOR to identify the following continuing education needs:

• job development, and
• job placement.

RSA solicited input from USOR stakeholders to identify the following continuing education needs:

• informed choice,
• self employment, and
• transition.

VR and SE Performance Observations and RSA Recommendations

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

Observations: While USOR has been very successful in the rehabilitation of transition-aged youths served by the agency, the number of transition-aged youths receiving VR services compared to the total USOR participants served is low.

- In FY 2007, the employment rate of transition-age youths was 75.3 percent (higher than the national average of 59.8 percent). However, the number of transition-age youths receiving VR services was 17.8 percent of the total number of persons served by the program (lower than the national average of combined VR agencies at 34.8 percent).
- The USOR director participates in USBE-sponsored committee meetings, but there does not appear to be a strong programmatic tie between the two agencies at the management level.
- The UT school system is decentralized, and USOR has cooperative agreements with 41 different school districts, resulting in numerous impediments to coordination. This, combined with a high turnover rate among USOR and school transition staff in the past, has created difficulties for USOR in developing and maintaining strong relationships with transition staff in each school.
- The SRC expressed concern in the last two annual reports regarding the need to improve service delivery to the transition population. They have also requested that USOR facilitate the appointment of a youth with a disability to the SRC in order to have representation from the transition-aged youth population. During the on-site visit, the SRC once again reiterated these concerns.
- In response to USOR’s analysis of its transition data, as well as in consideration of input from the SRC, USOR added five transition counselors to serve local schools in a more customized fashion.
- A high percentage of transition-aged youths who do not complete the rehabilitation process, are closed under a “failure to cooperate” status. Unique to UT, a high percentage of the population are members of the Church of Jesus Christ of Latter-day Saints (LDS). In discussing this issue with USOR staff during the review, it appeared that a significant number of these individuals were leaving UT to participate in a service mission. USOR estimates 1,320 transition-aged youths with disabilities each year will leave to participate in a service mission. Male students generally begin their mission in the states or abroad at age 19, returning to their home at age 21 (after two years of service), while female students generally begin at age 21 and complete when they are 22 (after 18 months of service). It has been the practice of USOR to close transition cases when students depart for a mission, since USOR believed there was a two-year limit for individuals remaining in “services interrupted” status. In the event the student re-engages with VR, the case is re-opened upon their return home.

Recommendations: RSA recommends that USOR:

1.1 develop and implement a plan to improve collaboration with USBE through regular and ongoing meetings and to market USOR’s services to local school systems as well as to employers;
1.2 conduct joint training annually, at a minimum, with school districts and the Parent Training Center to increase the understanding of the roles and responsibilities of all partners involved in the transition process and to increase the level of collaboration among partners;

1.3 facilitate the appointment of a youth with a disability to the SRC; and

1.4 consider maintaining transition-aged youths who intend to participate in service missions in a “services interrupted” status, so that service records remain open during the course of the missions. Thus, service continuity is maintained and there is increased likelihood that more students will apply for services while still in school, and remain engaged with the VR system following their return from service missions.

**Agency Response:** USOR agreed with all of the recommendations and provided the responses below.

1.1 USOR has developed, in collaboration with USBE staff, a marketing tool named “Transition Handbook for Parents, Educators and VR Counselors.” A web page is being developed with a toolbox for transition students also.

1.2 USOR will develop a relationship or liaison with state universities special education training programs to orient them on the public vocational rehabilitation program. Cross training is completed annually through roundtables with educators and vocational rehabilitation counselors with regional roundtables being held also. DSBVI VR also holds an annual college preparation day for students transitioning from school systems to adult services and a transition conference is held with junior high and high school students and parents on an annual basis.

1.3 USOR will work with the SRC to consider options for including a youth with disabilities on the Council.

1.4 USOE will discuss and explore this observation with the Case Service leadership.

**TA:** TA is not requested.

### 2. Supported Employment

**Observation:** USOR is exploring the use of TTW EN’s milestone payment system to provide extended SE services for persons with developmental disabilities (DD). USOR is attempting to create a large and diverse network of ENs statewide (including schools and employers) to increase the capacity of individuals with DD in SE to reach substantial gainful activity (SGA)\(^2\). USOR seeks to use TTW payments as a mechanism for extended services in the absence of previously available state support.

Table 2.7 illustrates USOR’s inconsistent performance in assisting individuals with DD to achieve SE outcomes during the period from FY 2003 to FY 2007. The upward trend in competitive employment outcomes achieved by individuals with DD appears to be due to the lack of funding for ongoing support that prevents these individuals from achieving SE outcomes.

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\(^2\) For FY 2009, the Social Security Act specifies SGA as earnings averaging over $980 a month for individuals with an impairment other than blindness, and $1640 a month for individuals who are blind.
Table 2.7
USOR SE Outcomes for Individuals with Developmental Disabilities for FY 2003 through FY 2007

<table>
<thead>
<tr>
<th>Individuals Served</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Served</td>
<td>208</td>
<td>169</td>
<td>214</td>
<td>215</td>
<td>198</td>
</tr>
<tr>
<td>Competitive Employment</td>
<td>123</td>
<td>108</td>
<td>148</td>
<td>145</td>
<td>160</td>
</tr>
<tr>
<td>Supported Employment</td>
<td>42</td>
<td>26</td>
<td>40</td>
<td>33</td>
<td>66</td>
</tr>
</tbody>
</table>

**Recommendations:** RSA recommends that USOR:

2.1 continue to explore additional avenues for funding extended services to a more diverse population of individuals with disabilities since the population of individuals within the TTW Program is a small portion of individuals needing SE overall; and

2.2 continue to assess the impact of using the TTW milestone reimbursement payment system upon the continuity of extended SE services, especially as it applies to the needs of individuals with the most significant disabilities, and how an individual’s monthly earnings affect long-term supports received.

**Agency Response:** USOR agreed with both of the recommendations and provided the responses below.

2.1 USOR is working with the Utah State Legislature to restore some of this funding during the next legislative session.

2.2 USOR requests clarification of the issue described.

**TA:** TA is not requested.

3. Council for the Blind and Visually Impaired

**Observation:** The newly reorganized CBVI was designed to provide input on the VR and IL outcomes for individuals who are blind and visually impaired, and performs many of the same functions as the SRC. For example, the Council participates in community outreach and plans to conduct consumer satisfaction surveys. The CBVI has instilled a greater focus on employment for individuals who are blind and visually impaired. Similar to the SRC, it has involved employers, parents, and other USOR stakeholders.

Table 2.8 indicates that USOR experienced an approximate 24 percent decrease in the total number of individuals who are blind and visually impaired receiving services from USOR during the period from FY 2003 to FY 2007, and a concomitant 25 percent decrease in the number of these individuals achieving competitive employment outcomes.
Table 2.8
USOR Employment Outcomes for Blind and Visually Impaired Individuals for FY 2003 through FY 2007

<table>
<thead>
<tr>
<th>Individuals Served</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Served</td>
<td>177</td>
<td>135</td>
<td>152</td>
<td>116</td>
<td>135</td>
</tr>
<tr>
<td>Competitive Employment</td>
<td>112</td>
<td>73</td>
<td>92</td>
<td>80</td>
<td>84</td>
</tr>
</tbody>
</table>

**Recommendations:** RSA recommends that USOR:

3.1 identify and designate an SRC member to serve as a conduit between the SRC and the CBVI to facilitate the communication between the two groups;
3.2 ensure that the Council members receive essential training to clearly understand the CBVI mission and member roles and responsibilities; and
3.3 coordinate the conduct of the consumer satisfaction survey with the SRC to help minimize duplication of effort and activity between the two Councils.

**Agency Response:** USOR agreed with all of the recommendations and provided the responses below.

3.1 USOR will identify and designate an SRC member to serve as a conduit between the SRC and the CBVI.
3.2 The CBVI Council was provided with the link to RSA’s web-based SRC training materials in order to help improve their understanding of member roles and responsibilities.
3.3 The consumer satisfaction survey conducted by the SRC includes all USOR consumers served by both DRS and DSBVI, and USOR will encourage the CBVI Council to coordinate with the SRC in order to avoid duplication of effort.

**TA:** TA is not requested.

4. **Data System**

**Observations:** IRIS contains many features designed to assist USOR with in performing case management function. RSA identified the areas below that need improvement.

- IRIS has embedded many pop-up edits to ensure data accuracy and a “To-Do” window for upcoming deadlines, but there are no reminders for overdue activities.
- A consumer’s SE goal is identified on the IPE, but is not connected to employment status at closure.
- IRIS collects counselor and consumer evaluation of service providers, but the questions are general and subjective.
- USOR has an AT center and 62 percent of its clientele are VR consumers, but USOR does not have an evaluative mechanism to measure AT center performance.

**Recommendations:** RSA recommends that USOR:

4.1 add a reminder for past-due items in the “To-Do” window;
4.2 connect SE status on the IPE with employment status at closure so that counselors and managers can better monitor SE cases;
4.3 develop objective and specific evaluation measures for vendors providing placement and other VR services; and
4.4 add an evaluation component for AT services provided to VR consumers.

Agency Response: USOR agreed with all of the recommendations and provided the responses below.

4.1 USOR has an active IRIS committee that makes and discusses recommendations for potential changes of the system. Since the inception of IRIS there has been dialogue in regards to the number and extent of IRIS reminders/pop ups/notifications. The USOR IRIS committee has attempted to balance the need for some reminder/pop ups/notifications on highly important issues with the fact that for a majority of staff these features can become annoying, get ignored, or make simple tasks more difficult because staff have to deal with multiple pop ups. USOR will work with staff to ensure that the “To-Do” lists are reviewed regularly. However, USOR holds the position that the system is not intended to manage the caseload, rather it is a tool to assist the professional rehabilitation counselor in the management of the caseload. While this recommendation may be helpful for a small number of our professional staff, it is not necessary.

4.2 USOR will work to develop some kind of linkage that will ask the rehabilitation counselor to ensure accuracy at closure on cases where SE may have been in the IPE.

4.3 USOR feels that general and subjective questions are asked specifically to provide agency with information needed to improve client informed choice. An active facilities committee meets regularly and will take this under advisement.

4.4 USOR will develop an evaluative tool in order to measure AT center performance.

TA: TA is not requested.

5. State Population vs. VR Applicants as a Percentage of State Population

Observations: Table 2.9 indicates that USOR experienced a significant decrease in the number of applicants in the last four years. While the state population has increased 12 percent since FY 2003, the total number of USOR applicants has decreased 29 percent.
Table 2.9
USOR Total Applicants versus State Population for 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>Total Applicants</td>
<td>10,539</td>
<td>9,953</td>
<td>8,692</td>
<td>7,677</td>
<td>7,527</td>
<td>-29%</td>
<td>9,811</td>
<td>7,587</td>
</tr>
<tr>
<td>State Population</td>
<td>2,351,467</td>
<td>2,389,039</td>
<td>2,469,585</td>
<td>2,550,063</td>
<td>2,645,330</td>
<td>12%</td>
<td>4,826,679</td>
<td>2,847,391</td>
</tr>
<tr>
<td>New applicants per million state population</td>
<td>3,881</td>
<td>3,555</td>
<td>3,156</td>
<td>2,645</td>
<td>2,544</td>
<td>-34%</td>
<td>2,169</td>
<td>2,145</td>
</tr>
</tbody>
</table>

Table 2.10 indicates that USOR experienced a 20.2 percent decrease in the number of individuals served between the application ages of 35 to 44 and a 19.9 percent decrease between the ages of 14 to 24. However, it served 30.9 percent more individuals between the ages of 55 to 64.

Table 2.10
USOR Age Groups Served for 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>14-24</td>
<td>1,510</td>
<td>1,480</td>
<td>1,556</td>
<td>1,462</td>
<td>1,209</td>
<td>-19.9%</td>
<td>56,127</td>
</tr>
<tr>
<td>Percent</td>
<td>31%</td>
<td>30.9%</td>
<td>29.1%</td>
<td>29.3%</td>
<td>27.8%</td>
<td>-3.2%</td>
<td>34.8%</td>
</tr>
<tr>
<td>35-44</td>
<td>1,226</td>
<td>1,217</td>
<td>1,345</td>
<td>1,170</td>
<td>978</td>
<td>-20.2%</td>
<td>32,319</td>
</tr>
<tr>
<td>Percent</td>
<td>25.2%</td>
<td>25.4%</td>
<td>25.2%</td>
<td>23.4%</td>
<td>22.5%</td>
<td>-2.7%</td>
<td>20.0%</td>
</tr>
<tr>
<td>55-64</td>
<td>175</td>
<td>194</td>
<td>224</td>
<td>228</td>
<td>229</td>
<td>30.9%</td>
<td>12,299</td>
</tr>
<tr>
<td>Percent</td>
<td>3.6%</td>
<td>4.1%</td>
<td>4.2%</td>
<td>4.6%</td>
<td>5.3%</td>
<td>1.7%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

Some possible explanations for this are included below.

- UT’s strong economy may have enabled more individuals with disabilities to achieve and maintain employment without needing VR services. UT’s economy is experiencing a recession, and USOR has begun to experience an increase in referrals of older individuals whose employment may be terminated.
- UT has experienced a significant influx of older individuals, particularly in the greater St. George area. This previously rural area developed into a highly desirable urban retirement community during the past few years, and the older population is reflected in USOR’s caseload.
- Individuals who have previously lived adequately on a retirement income are finding the need to return to work as the economy drifts downward.
**Recommendations:** RSA recommends that USOR:

5.1 conduct a systematic caseload analysis of USOR’s service delivery patterns in order to address issues of equity and balance to all populations requiring VR services;
5.2 develop internal expertise for working with older individuals who are becoming disabled later in life and who either want or need to re-enter the workforce;
5.3 develop a plan to collaborate with other human service agencies serving the older population to discuss the common challenges and develop effective practices and partnerships; and
5.4 provide training to VR counselors in strategies for effective service delivery to the older population.

**Agency Response:** USOR agreed with all of the recommendations and provided the responses below.

5.1 USOR currently conducts zip code saturation studies, population coverage analysis, and other evaluations designed to ensure that service delivery is efficient and available to all populations. USOR will continue to conduct this analysis.
5.2 USOR plans to develop specialized training on working with this population.
5.3 USOR will collaborate with other agencies.
5.4 USOR will develop training for counselors.

**TA:** TA is not requested.
CHAPTER 3: FISCAL MANAGEMENT OF USOR’S VOCATIONAL REHABILITATION, SUPPORTED EMPLOYMENT, INDEPENDENT LIVING, AND OLDER INDIVIDUALS WHO ARE BLIND PROGRAMS

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

Fiscal Management

The data in the following table, 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 MOE requirement data are 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 percentages are taken from the RSA-2.

Table 3.1
Fiscal Data for USOR for FY 2004 through FY 2008

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Grant Amount</th>
<th>Required Match</th>
<th>Federal Expenditures</th>
<th>Actual Match</th>
<th>Over (Under) Match</th>
<th>Carryover at 9/30 (year one)</th>
<th>Program Income</th>
<th>MOE Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Amount</td>
<td>23,887,248</td>
<td>24,526,633</td>
<td>25,154,464</td>
<td>26,821,027</td>
<td>28,030,439</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Required Match</td>
<td>6,465,037</td>
<td>6,638,085</td>
<td>6,808,006</td>
<td>7,259,058</td>
<td>7,586,383</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Expenditures</td>
<td>23,887,248</td>
<td>24,526,633</td>
<td>25,154,464</td>
<td>26,821,027</td>
<td><strong>25,502,082</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Match</td>
<td>9,908,644</td>
<td>10,681,355</td>
<td>10,564,539</td>
<td>11,280,160</td>
<td>11,288,214</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over (Under) Match</td>
<td>3,446,343</td>
<td>4,042,126</td>
<td>3,777,929</td>
<td>3,988,068</td>
<td>3,708,204</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carryover at 9/30 (year one)</td>
<td>2,903,834</td>
<td>4,652,873</td>
<td>4,527,248</td>
<td>7,584,124</td>
<td>3,297,319</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Income</td>
<td>599,758</td>
<td>258,197</td>
<td>878,034</td>
<td>796,239</td>
<td>1,544,069</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOE Requirement</td>
<td>9,863,147</td>
<td>9,808,226</td>
<td>9,908,644</td>
<td>10,681,355</td>
<td>10,564,539</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes SE Program Expenditures.


Explanations Applicable to the Fiscal Profile Table

Grant Amount:

The amounts shown represent the final award for each fiscal year, and reflect any adjustments for MOE penalties, reductions for grant funds voluntarily relinquished through the reallocation process, or additional grant funds received through the reallocation process.
Match (Non-Federal Expenditures):

The non-federal share of expenditures in the Basic Support Program, other than for the construction of a facility related to a CRP, was established in the 1992 amendments to the 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 SSA for rehabilitating Social Security beneficiaries, payments received from workers’ compensation funds, fees for services to defray part or all of the costs of services provided to particular individuals, and income generated by a state-operated CRP. Program income earned (received) in one fiscal year can be carried over and obligated in the following fiscal year regardless of whether the agency carries over federal grant funds. Grantees may also transfer program income received from the Social SSA for rehabilitating Social Security beneficiaries to other formula programs funded under the Act to expand services under these programs.

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

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

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

Administrative Costs:

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

Fiscal Technical Assistance Provided to USOR During the Review Process

RSA provided the following VR, SE, IL, and OIB program TA to USOR during the review process:

- RSA’s assessment of the agency’s compliance with specific financial requirements, including match, MOE, carryover, reallocation, program income, liquidation of outstanding obligations, and grant closeout;
- circumstances under which MOE waivers are granted, documentation requirements, and submission timelines;
- effect of MOE penalties on the ability to carryover matched federal funds;
- structuring payment terms in agreements with CRP providers;
- the definition of expenditures that come under the State Plan and requirement to report all expenditures meeting this definition;
- advantages of financial planning and the impact of current and future reductions in state funds appropriated for match on meeting VR program MOE requirements for FYs 2010 and 2011;
- accounting for expenditures related to USOR’s Training and Adjustment Services (TAS) Program;
- programmatic advantages of requesting additional federal funds (that have already been matched) through the reallocation process each year (This is because the receipt of up to $13 million in additional VR program funds will have no impact on the MOE requirement applicable to future federal fiscal years.);
- 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 salary costs to one federal grant program;
• requirements applicable to the transfer of Social Security reimbursement program income
to IL programs to cover the cost of the salaries of individuals working in these programs
when sufficient grant or matching funds are not available to pay these costs;
• improving the accuracy of the RSA-2 report, specifically related to the reporting of actual
time spent in VR positions (administrative, VR counselor, VR counselor support, and
other staff) during the reporting period on Schedule III – Person years, services provided
at agency-operated CRPs;
• A VR program requirement applicable to the purchase of goods and services includes the
agency considering a Visa purchasing card pilot program to address procurement
obstacles. RSA supports USOR’s continued exploration of the use of Visa cards, and
believes that with appropriate internal controls, Visa cards will expedite consumer
purchases and eliminate the stigma faced by consumers attached to the use of purchase
authorizations; and
• shared with USOR the state of Connecticut’s Bureau of Rehabilitation Services approach
to financial planning that was presented at the FY 2008 National Financial and Data
Conference, and suggested other state VR agencies that could be contacted to provide
assistance in this area. (USOR was very receptive to the TA provided by RSA and
immediately assigned responsibilities in this area and began to develop a formal financial
planning process that involves all levels of financial and program staff.)

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

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

• USOR is piloting a program that will allow the use of Visa cards for limited consumer
purchases to eliminate the stigma attached to the use of purchase authorizations.
• USOR, as an agency, is easy to work with although performance is not monitored as
stringently as in prior years.
• There are problems with paying and retaining qualified CRP staff under current SE fee
structure if sufficient referrals are not received.
• Changing to a milestone methodology may result in skimming and a reluctance to work
with hard-to-place consumers, but providers could find it more acceptable if placement
reimbursement rates were within an acceptable range.
• USOR is anticipating significant reductions in state funding for FYs 2010 and 2011 that
may impact service delivery, and the agency’s ability to meet state VR program’s MOE
requirement.

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

1. Financial Planning

Observation: USOR’s financial planning process is not clearly defined and consists mainly of the development of the agency’s yearly budget and subsequent monitoring of expenditures against the approved budget while budget development is only one of the components of financial planning.

Based on discussions with USOR’s financial and management staff, RSA observes that the agency’s financial planning process could be more comprehensive. Comprehensive financial planning would take into consideration the resources needed to achieve State Plan and strategic plan goals, innovation and expansion activities, projected federal and state financial resources and reductions, the federal fiscal year for which state funds are appropriated, staffing plans, state spending restrictions, 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 IPEs on the current fiscal year and future funding periods.

Unlike budgets, financial plans are usually for multi-year periods, cover all programs that are administered by the agency, and are continuously revised to adjust for changes to individual program goals, priorities and resources. They reflect the values of the agency and bring the agency closer toward meeting stated goals. Funding strategies may be included to maximize available resources and to ensure that sufficient resources are available to meet these goals without relying on state resources intended for future funding periods.

Developing and implementing a structured financial planning process is vital given the agency’s current financial situation.

- The VR program’s MOE requirement is much higher than the match requirement for this program. Recent budget cuts, and those projected for FYs 2010 and 2011, will not provide sufficient state-appropriated funds to meet this requirement applicable to these fiscal years.
- The realized and projected budget cuts may have a grave impact on the level of services that have been historically provided to USOR consumers and the number and disability types of consumer that can be served with significantly reduced resources.

Recommendations: RSA recommends that USOR:

1.1 continue the efforts begun during the on-site review to develop and implement a multi-year financial planning process that, at a minimum, projects: 1) anticipated financial resources
(federal and non-federal); 2) plans for the utilization of available resources or documents the need for additional resources; 3) administrative (including indirect) expenses; 4) staff salaries, fringe benefits and overhead costs; 5) innovation and expansion activities; 6) State Plan goals and strategies; and 7) costs related to providing services to program consumers (this plan should be updated on a regular basis and become a valuable program management tool); and,

1.2 strengthen the financial planning and forecasting skills of financial and program staff responsible for these activities.

Agency Response: USOR agreed with both of the recommendations and provided the responses below.

1.1 USOR is developing a tool to accomplish this task.
1.2 USOR is developing a tool to accomplish this activity.

TA: TA is not requested.

2. Procurement - Consumer Services

Observation: RSA’s discussion with USOR’s fiscal staff revealed two issues related to the procurement of consumer services: state imposed procurement requirements that may restrict informed choice and CRPs providing SE services that are currently reimbursed on an hourly basis.

- UT’s current procurement policies/procedures could limit the informed choice of an individual when selecting vendors to provide goods and/or services. This concern relates specifically to requiring the acceptance of the lowest bid, regardless of consumer choice. Discussions were held with USOR staff and DSA staff responsible for consumer purchases during the on-site review to ensure that staff are aware of federal requirements in this area. Specifically, the Act requires VR agencies “…to develop and implement flexible procurement policies and methods that facilitate the provision of services, and that afford eligible individuals meaningful choices among the methods used to procure services…” under the VR program.

The federal grant administrative regulations that apply to the VR program also address procurement requirements. Specifically, 34 CFR 80.36(a) requires that “when procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-federal funds.” Based on VR regulations at 34 CFR 361.12, methods of administration require that “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.” This includes ensuring that consumer goods and services are procured in accordance with VR program requirements. There may be times when these two requirements conflict; however, program regulations take precedence over administrative regulations.
USOR reimburses CRPs on an hourly basis for SE services including job development, job placement, and job coaching. While there are advantages and disadvantages for using this method, one disadvantage is that USOR pays for the provision of services with no direct correlation to quality outcomes. Other states have adopted different forms of a milestone reimbursement method in which job development, job placement, and job retention are valued. CRPs are reimbursed on a fixed fee schedule based upon the achievement of these milestones. Adopting such a method shifts the emphasis from buying services to achieving quality employment outcomes.

Recommendations: RSA recommends that the USOR:

2.1 develop and implement procurement policies and procedures that promote the informed choice of the individual in determining which vendor to utilize in procuring VR services; and,
2.2 analyze the effectiveness of the current method of CRP reimbursement for SE services, explore milestone reimbursement options, and determine the most appropriate reimbursement method to meet USOR’s SE service delivery needs.

Agency Response: USOR agreed with both recommendations and provided the responses below.

2.1 USOR agrees with this recommendation and is meeting with several state departments to develop and implement procurement policies and procedures that promote the informed choice of the individual in determining which vendor to utilize in procuring VR services.
2.2 USOR will determine the most appropriate reimbursement method to meet SE service delivery needs.

TA: TA is not requested.

3. Training and Adjustment Services (TAS) Center

Observation: DSBVI provides VR services and a variety of training and adjustment services through the TAS Center. These services include computer evaluation and training, orientation and mobility services, daily living skills, home repair courses, low vision screening, magnification and other assistive aids, and a variety of adjustment-to-blindness classes and services. Services are provided to individuals both at the TAS Center and in the community.

The TAS Center is a state funded program. USOR operates the program as if it is separate from the VR program. RSA toured the center and discussed the programs with staff and learned the information below.

- At least 80 percent of individuals receiving TAS services are VR consumers.
- Services provided are included on each individual's IPE and are shown as no cost services, although funded 100 percent with state funds appropriated for TAS programs.
- As a result of budget reductions, USOR reorganized staff responsibilities and began using state funds expended (or budgeted) for the TAS Center for maintenance of effort in the
VR program.

USOR’s TAS Center meets the definition of a CRP in 34 CFR 361.5. Under the umbrella of the VR program, VR agencies, especially those agencies that serve consumers with visual impairments, operate centers providing similar services throughout the United States. From discussions with staff, USOR has not considered TAS to be a part of the VR program because a small percentage of non-VR consumers receive services through this program. Federal regulations would not prohibit serving non-VR consumers at a state owned and operated CRP. However, federal regulations (OMB Circular A-87) prohibit charging the cost of serving non-VR consumers to the VR program. Bringing TAS completely under the VR program is preferable to incrementally bringing parts of this program into the VR program to meet match and MOE requirements.

**Recommendations:** RSA recommends that USOR:

3.1 if permissible under State law, explore the financial and program impact of bringing the TAS Center, in whole, rather than in part, under the umbrella of the VR program;
3.2 develop a non-subsidized fee schedule, or an acceptable methodology for allocating costs to appropriately charge the costs of serving VR and IL consumers to those programs, ensuring that unallowable costs of serving non-VR consumers are not borne by any RSA-funded program; and
3.3 if the TAS Center is not brought completely under the umbrella of the VR program, seek further guidance from RSA to determine the allowability of segregating and bringing pieces of this program, on an as needed basis, into the VR program to meet match and MOE requirements.

**Agency Response:** USOR agreed with all of the recommendations and provided the responses below.

3.1 USOR was just informed by the Governor’s Office of Planning and Budget to generate FY 2011 scenarios of one percent, three percent and five percent additional cuts. USOR agrees that the TAS program must meet all of the requirements established for a CRP.
3.2 USOR will work with its fiscal unit to develop acceptable procedures and/or methodology.
3.3 USOR is prepared to work with RSA regarding the utilization of TAS funds to meet MOE requirements.

**TA:** USOR requests TA regarding all three recommendations.

**VR, SE, IL, and OIB Programs’ Fiscal Management Compliance Findings and Corrective Actions**

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

1. Periodic Certification

Legal Requirement:

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

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: USOR 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: USOR must:

1.1 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,
1.2 develop policies and procedures to ensure that, at a minimum, semi-annual certifications are completed for all employees working solely on one federal grant program, or cost objective.

Agency Response: USOR provided the responses below.

1.1 USOR will submit a written assurance.
1.2 USOR will develop policies and procedures as requested.

RSA Response: USOR must 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. In its corrective action plan, due within 45 days of receipt of the final monitoring report, USOR must describe the steps it is taking to develop policies and procedures to ensure that, at a minimum, semi-annual certifications are completed for all employees working solely on one federal grant program, or cost objective, in compliance with OMB Circular A-87, Attachment B, 8.h.3.

TA: TA is not requested.

2. 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), in pertinent part, states:

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: USOR is not in compliance with OMB Circular A-87, Attachment B, 8.h.4 and 8.h.5, because administrative salaries are charged to the VR program based on predetermined budgeted amounts that have not been revised in over ten years. Also, personnel costs for administering the IL part B and the OIB programs are borne by the VR program. Although the funding for the VR program represents the greatest share of USOR’s funding, the continuing practice of assigning all personnel costs to the VR program because of limited funding in other programs is not in accordance with cost principles outlined in OMB Circular A-87.

Corrective Action 2: USOR must:

2.1 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;

2.2 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; and

2.3 maintain personnel activity reports and allocate an equitable portion of personnel costs, either directly or indirectly, to each program administered by USOR (excluding the SE program under Title VI-B that can legally be charged to the VR program).

Agency Response: USOR provided the responses below.

2.1 USOR will comply with 2.1 and will have supporting documentation as per OMB Circular A-87.

2.2 USOR will comply with 2.2 and submit the written assurance as requested within ten days of receiving the final report.

2.3 The state of Utah has a web-based timesheet that allows for separation of time spent on various activities. Therefore, USOR employees will be required to separate their hours worked for each allocated funding source. USOR will provide training specific to this issue.
RSA Response: In its corrective action plan, due within 45 days of receipt of the final monitoring report, USOR must describe the steps it is taking to 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. The plan must also explain how USOR will maintain personnel activity reports and allocate an equitable portion of personnel costs, either directly or indirectly, to each program administered by USOR (excluding the SE program under Title VI-B that can legally be charged to the VR program). USOR must 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.

TA: TA is not requested.
CHAPTER 4: INDEPENDENT LIVING PROGRAM

The following table provides data on USOR’s IL program performance in key areas from FY 2003 through FY 2007.

Table 4.1
USOR IL Program Highlights for FY 2006 through FY 2008

<table>
<thead>
<tr>
<th>Program Highlights</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title VII, Chapter 1, Part B funds</td>
<td>307,724</td>
<td>293,357</td>
<td>293,357</td>
</tr>
<tr>
<td>Total Resources (including Part B funds)</td>
<td>3,329,409</td>
<td>4,453,336</td>
<td>4,453,336</td>
</tr>
<tr>
<td>Total Served</td>
<td>4,822</td>
<td>5,261</td>
<td>5,215</td>
</tr>
<tr>
<td>Total Consumer Service Records Closed</td>
<td>778</td>
<td>858</td>
<td>1,414</td>
</tr>
<tr>
<td>Cases Closed, Completed All Goals</td>
<td>281</td>
<td>222</td>
<td>765</td>
</tr>
<tr>
<td>Total FTEs</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Total FTEs with Disabilities</td>
<td>2.0</td>
<td>2.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Note: Data elements from RSA-704 Part I and Part II.

IL Program Administration and Service Delivery

USOR administers the IL part B program in UT. UT provides IL services with part B funds through contracts with the six CILs in the state: Options Independent Living Center (ILC), Active Re-entry ILC, Utah ILC, Red Rock ILC, Tri-County ILC, and Central Utah ILC. These six CILs divide the entire state into six regional areas to provide statewide coverage. In addition to the $200,000 of part B funds contracted to CILs, the state appropriates another $3,000,000 for IL services, AT services, and nursing home transition services. UT negotiated a formula to distribute the funds to CILs, 50 percent of which is divided evenly among them, while the remaining 50 percent is divided by a combination of population and square mileage covered by each CIL.

Personnel

At the DSU level, USOR assigns three staff members to work on the IL part B program. These include a support services coordinator, an IL coordinator and one support staff. These staff are located within USOR’s Support Services program and do not work solely on the IL part B program but also on other programs within USOR, including the VR program. In addition to USOR staff, the USBE fiscal unit provides fiscal services and support.

In 1993, UT established the SILC as a 501(c)(3) non-profit with a full time executive director, one half time administrative assistant, and a full time public policy specialist. Through a contract administered by USOR, the SILC operates on an annual budget of approximately $200,000, made up of a combination of funds, including: 50 percent in part B funds; 25 percent

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in title I funds under the innovation and expansion provisions of the Act; and 25 percent in state funds.

Data Management

About five years ago, USOR’s IL case management system merged and became a subset of IRIS. The sole purpose of this merger was to issue AT service authorizations. A special case code was designed to identify the IL consumer service records (CSRs). USOR has six CILs that must submit RSA-704 reports to USOR. CIL staff members prepare the information for the RSA-704 report, enter the data, and send the reports to the USOR IL coordinator, who then combines all CILs’ data into a state RSA-704 report. USOR provides computer support for the maintenance of CSRs to CILs.

UT does not have a centralized comprehensive data collection and reporting system for IL data. Each CIL has developed its own method for compiling data and maintaining CSRs and has its own data management system. As stand-alone non-profits, each CIL selected a system consistent with its local resources. In addition to federal and state reporting, CILs have other local funding sources that require their own reports. Therefore, developing a comprehensive data management system to accommodate the various needs of all CILs that fits within their respective budgets remains a challenge. Since USOR only uses IRIS for issuing authorizations for IL consumers, these consumers can only be coded as “unsuccessful closures” since they are not achieving employment outcomes. The system does not have a mechanism to verify the reliability and accuracy of the IL data from the CILs.

Fiscal Management

USBE’s fiscal unit provides fiscal services and support for the administration of the IL part B program. Each CIL is required to conduct an annual audit and, if recommendations are made regarding improvements, the CIL is required to implement the respective recommendations. In addition, USOR requires annual mid-year progress reports from each CIL. Each CIL also submits its 704 performance report to USOR for review.

USOR also monitors its contract with the SILC to assure compliance with all contract requirements through annual and semi-annual reports, reviews, and an annual audit. The SILC’s responsibilities for the proper expenditure of funds and the use of resources it receives under its resource plan are outlined in the SILC approved Policy and Procedures Manual, dated May 2007. The manual includes specific safeguards, including yearly audits, dual signature requirements, and independent bookkeeping. The policies and contract agreement are also closely monitored by the SILC’s executive committee and financial sub-committee, as outlined in the SILC’s bylaws, amended October 29, 2008.

Quality Assurance

USOR conducts on-site visits to all CILs and reviews reports from the CILs and the SILC consistent with contract requirements. CSRs are reviewed randomly on a monthly basis for
compliance with federal requirements. USOR provides TA and training to staff in CILs when deficiencies are identified.

The SILC also has a contract with the University of UT Center for Public Policy and Administration regarding the evaluation of the implementation of the State Plan for Independent Living (SPIL). The July 2008 report from this contract was specifically related to enhancing UT’s IL systems accountability as it relates to maintaining state IL data. This report analyzed the respective data management systems of CILs to identify practices used by each and present promising activities that could be shared among CILs.

Planning

UT utilizes a collaborative planning process among the DSU, the SILC, the CILs, and other community stakeholders. In the last SPIL cycle, a State Plan subcommittee was established to design a methodology to ensure that consumer, CIL and community input were obtained. The SILC also contracted with the University of UT to facilitate town meetings and public hearings in an effort to show no bias in the meetings by the SILC, the CILs or the DSU. Prior to the public hearings, earlier research and needs assessments were reviewed by the contractor and the subcommittee. Findings from the review were summarized and used in the public hearing process.

IL Program Technical Assistance Provided to USOR During the Review Process

RSA provided the following IL program TA to USOR during the review process:

- role of the SILC and CILs in the consumer satisfaction process;
- USOR contract administration with respect to its contracts with CILs and the SILC;
- requirements related to SILC term limits and appointments;
- SILC’s mandated duties; and
- SPIL goals and objectives.

Observations of USOR and Its Stakeholders about the Performance of the IL Program

RSA solicited input from USOR and a wide range of its stakeholders about the performance of the IL program. The USOR and its stakeholders shared the observation below.

Through state building block funds, UT has been successful through the years in garnering additional state funds for IL services, AT services and nursing home transition services. However, UT is currently facing decreases in state funds, initially with a disproportionate share to the IL program, threatening the current level of IL services provided in the state. USOR introduced the “Everyone’s Fair Share” proposal whereby cuts would be more proportionately distributed across all programs, lessening the adverse impact borne by the IL program.
Nonetheless, the SILC, DSU and CILs indicated they are facing difficult decisions regarding program and services areas cuts.

RSA discussed this observation of its stakeholders with USOR and addressed it in light of other areas of the review.

### IL Program Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to USOR. USOR responded to each of the recommendations and in those instances when RSA, USOR and the Chair of the SILC discussed a recommendation, RSA and USOR identified the TA that RSA would provide to USOR to successfully implement the recommendation.

1. **Contract Administration with the SILC**

   **Observation:** The SILC’s nonprofit organization operates under contract with the USBE, administered by USOR. Discussion with SILC staff and USOR staff responsible for administering the contract disclosed that the general provisions of the contract are not updated on a regular basis and that some of the provisions are not current. RSA has concerns with USOR’s contracts with the SILC.

   - Attachment B includes the duties to be performed by the SILC. In addition to the federally mandated duties, additional duties are included that go beyond the federal requirements, including systems advocacy.
   - Attachment E of the contract includes an objective related to systems advocacy.
   - The contract does not include a dispute resolution mechanism to address any disputes that may arise between the SILC and USOR.

   **Recommendations:** RSA recommends that USOR:

   1.1 revise its contract with the SILC to include only those federally mandated duties, or specify that other duties beyond those federally mandated be performed with another source of funds besides federal funds or state matching funds; and

   1.2 develop a dispute resolution mechanism and include this as a provision in the contract.

   **Agency Response:** USOR agreed with both recommendations and provided the responses below.

   1.1 USOR will make necessary changes in its contract with the SILC to include only those federally mandated duties, or specify that other duties beyond those federally mandated be performed with another source of funds besides federal funds or state matching funds.

   1.2 USOR agrees with recommendation 1.2 and will take the necessary actions to develop and implement a dispute resolution mechanism and include this as a provision in the contract.
TA:

1.1 USOR requests TA and further discussion.
1.2 TA is not requested.

2. USOR Contracts with CILs for IL Services

Observation: USOR contracts with each of the state’s six CILs for IL part B services, AT services, and nursing home transition services. The contracts do not include specific performance measures by which to evaluate whether each respective CIL is effectively carrying out its responsibilities under the contract.

Recommendation 2: RSA recommends that USOR revise its service contracts with CILs to include specific performance targets and utilize the targets to evaluate performance.

Agency Response: USOR agrees with this recommendation and these performance targets will be put in place during the next year contracts.

TA: TA is not requested.

IL Program Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that USOR and the SILC are required to undertake. USOR and the SILC 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 of receipt of the final report and RSA is available to provide TA to assist USOR and the SILC.

1. SILC Appointments and Term Limits for Non-Voting Members

Legal Requirements:

34 CFR 364.21(b)(1) - Appointment. Members of the SILC must be appointed by the Governor or the appropriate entity within the State responsible, in accordance with State law, for making appointments.

34 CFR 364.21(b)(2)(i)(b) - Term appointments. Each member of the SILC shall serve for the term of three years, except that - (3) No member of the SILC may serve for more than two consecutive terms.

Finding: UT is not in compliance with the federal requirements because the ex-officio members of UT’s SILC are not appointed by the USBE, the appointing authority named in UT’s state
code, and are not subject to the same term limits as voting members. Some of these representatives, including representatives from USOR, have served on an on-going basis since the establishment of the SILC.

**Corrective Action 1:** UT must take the steps necessary to ensure that all SILC members are appointed by the USBE and subject to the uniformly required term limits specified in federal regulations, regardless of their status as ex-officio, non-voting or voting members.

**TA:** TA is not requested.

**Recommendation 1:** RSA recommends that the SILC revise its bylaws, section 2.04, regarding member term limits, to be consistent with the USBE’s rules pursuant to the implementation of the corrective action.

**Agency Response:** USOR and the SILC agrees to revise its bylaws, section 2.04, regarding member term limits, to be consistent with the USBE’s rules pursuant to the implementation of the corrective action.

**RSA Response:** In its corrective action plan, due within 45 days of receipt of the final monitoring report, USOR must describe the steps that it will take to ensure that all SILC members are appointed by the USBE and subject to the uniformly required term limits specified in federal regulations, regardless of their status as ex-officio, non-voting or voting members.

**TA:** USOR and the SILC request TA.

2. **SILC Responsibilities**

**Legal Requirements:**

34 CFR 364.21(g) - Duties. The SILC shall –

1. jointly develop and sign (in conjunction with the DSU) the State plan required by section 704 of the Act, and 34 CFR 364.20;
2. monitor, review, and evaluate the implementation of the State plan;
3. coordinate activities with the State Rehabilitation 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 periodic reports.

**Finding:** UT’s SILC is not in compliance with the federal requirements related to SILC duties because, according to the approved SPIL, the SILC is performing responsibilities outside its mandated functions, including conducting resource development activities by writing a grant
proposal to the Department of Labor for the enhancement of self-employment opportunities, entering into a contract with Walsh and Weathers to pilot a self-employment program, and engaging in system’s activities through its public policy specialist position.

Federal funds under the act are provided to enable the SILC to carry out the requirements in 34 CFR 364.21(g). These funds may be used only for reimbursement of expenses related to the duties and functions authorized by the act. If a SILC engages in other activities, these activities must be funded through other public or private sources and must not impair or interfere with its federally mandated functions.

Corrective Actions: The UT SILC must take corrective actions to:

2.1 revise the SILC duties to conform to the mandated duties, or ensure that other duties performed by the SILC are funded through other public or private sources and do not impair or interfere with its federally mandated functions; and

2.2 revise the SPIL objectives related to these activities to align the SILC duties with federal requirements (note: consistent with the requirements at 34 CFR 364.20(b), if these constitute material changes in the operation of or information in the SPIL, it must be amended).

Agency Response: USOR provided the responses below.

2.1 USOR agrees to revise the SILC duties to conform to the mandated duties, or ensure that other duties performed by the SILC are funded through other public or private sources and do not impair or interfere with its federally mandated functions.

2.2 USOR and the SILC will implement the corrective action in the next State Plan for Independent Living.

RSA Response: In the corrective action plan, due within 45 days of receipt of the final monitoring report, the UT SILC must describe the steps it will take to revise the SILC duties to conform to the mandated duties, or ensure that other duties performed by the SILC are funded through other public or private sources and do not impair or interfere with its federally mandated functions. In addition, USOR and the UT SILC must revise the SPIL objectives related to these activities to align the SILC duties with federal requirements (note: consistent with the requirements at 34 CFR 364.20(b), if these constitute material changes in the operation of or information in the SPIL, it must be amended).

TA: TA is not requested.
CHAPTER 5: INDEPENDENT LIVING FOR OLDER INDIVIDUALS WHO ARE BLIND PROGRAM

OIB Program Administration and Service Delivery

Within USOR, DSBVI administers the OIB program and provides OIB services both directly with rehabilitation teachers and through contracts with three of UT’s six CILs located in the most rural areas of the state, including Options for Independence in Logan, Active-Re-Entry in Price and Moab, and Red Rock in St. George. In addition to the Chapter 2 funds, UT supports the OIB program with additional state funds to expand services to this target population. However, DSBVI has not included the number of individuals served with state funds in its OIB program in its annual 7-OB performance report. Therefore, the total number was not available for this report.

Personnel

DSBVI did not maintain records on the total number of FTEs working in the OIB program for the last federal reporting period. DSBVI did not include staff paid with state funds in the total. Therefore, the total number of FTEs was not available for this report.

Data Management

Approximately 15 years ago, DSBVI developed its own case management system specific to the OIB program. This database is similar to, but separate from, the database used for the collection of VR data within the agency. In addition to utilizing the database for collection and reporting purposes, DSBVI utilizes it as a registry of Utahans who are blind or visually impaired. Individual case managers, including external CIL OIB specialists, are responsible for entering data while staff at the state level provide overall network administration. This is a comprehensive system with functionality to generate numerous types of reports for planning and administration of the OIB program. The system lacks the capacity to maintain accurate and reliable data since USOR contracts with three separate CILs for data input. In addition, it may be useful to link this system with IRIS for those individuals who receive services from both OIB and VR program.

Fiscal Management

Fiscal management for the OIB program is provided through USBE fiscal unit. Attachments B and F of the contracts with CILs specify the required fiscal provisions to which each contractor must adhere, including the submission of annual financial reports to USOR and the conduct of an annual financial audit. The contracts also specify program standards against which contractors are evaluated. USOR also maintains the financial reporting related to internal service delivery, including tracking OIB expenditures.
Quality Assurance

DSBVI management staff conducts site visits for each OIB program twice a year. While there are no formal reports generated from these site visits, the OIB project director indicated that each site generally exceeds its performance goals. In addition, DSBVI utilizes a consulting optometrist to evaluate the provision of low vision services and reports and provides training to staff as needed. This aspect of evaluation is required under UT’s Division of Occupational and Professional Licensing and is paid for with state funds. DSBVI utilizes both the Mississippi State University (MSU) Center on Blindness and Low Vision and the University of UT to conduct other evaluation activities related to the OIB program.

Planning

DSBVI utilizes results obtained from consumer satisfaction surveys of individuals served in its planning, as well as information obtained from the evaluations conducted by MSU and the University of UT. In addition, DSBVI utilizes reports generated from its MIS for planning purposes.

OIB Program Technical Assistance Provided to USOR During the Review Process

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

- 7-OB reporting requirements and data collection;
- OIB policies and procedures; and
- time distribution requirements applicable to staff working on both the VR and OIB programs.

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

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

- The lack of transportation in rural UT constitutes a barrier to OIB consumers with respect to participating in OIB services, including support group meeting and training activities.
- In rural UT, the rural nature of the area presents challenges to reaching potential OIB consumers.

RSA discussed the observations of its stakeholders with DSBVI 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 observation and made recommendations to DSBVI about the observation. DSBVI responded to the recommendation and in those instances when RSA and DSBVI agreed upon the recommendation, RSA and DSBVI identified the TA that RSA would provide to DSBVI to successfully implement the recommendation.

1. Administration of the OIB Program

Observation: The operational processes for the OIB program are not administered separately within DSBVI but rather included among the other programs within the division. Also, for purposes of its annual federal performance report, DSBVI does not account for the portion of the OIB program that is administered with state funds only. Therefore, DSBVI’s annual performance report does not accurately reflect the total scope and impact of its OIB program. In addition, RSA is also concerned with the issues below.

- DSBVI does not have staff dedicated solely to the OIB program but rather with shared responsibilities across multiple programs, including the VR program.\(^4\) In addition, DSBVI utilizes staff in the OIB program paid solely with state funds and does not include these staff in the total for reporting purposes.
- DSBVI provides OIB services with state funds but does not include the number of individuals served with state funds or the types of services provided with state funds.
- DSBVI utilizes one set of general policies common to all programs in the division that include the vision criteria for eligibility but these do not include the age-specific eligibility criteria for the OIB program.

Recommendations: RSA recommends that DSBVI:

1.1 account for all staff providing OIB services, regardless of funding source, consistent with 7-OB reporting instructions;
1.2 account for all individuals served in the OIB program and the types of services provided, regardless of funding source, consistent with 7-OB reporting instructions; and
1.3 include age-specific eligibility criteria for the OIB program in its policies.

Agency Response: USOR agreed with all of the recommendations and provided the responses below.

1.1 USOR will account for all staff providing OIB services, regardless of funding source, consistent with 7-OB reporting instructions.
1.2 USOR will account for all individuals served in the OIB program and the types of services provided, regardless of funding source, consistent with 7-OB reporting instructions.

1.3 USOR will include age-specific eligibility criteria for the OIB program in its policies.

**TA:** TA is not requested.
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 population – RSA-113 line A2 divided by the result of the estimated state population divided by 1 million. The estimated state population is found on the following website: http://www.census.gov/popest/states/NST-ann-est.html
- Average cost per employment outcome – Sum of individuals’ cost of purchased services from the RSA-911 (record position 104-109) for individuals who achieved an employment outcome (record position 198 =3) divided by the total number of these individuals
- Average cost per unsuccessful employment outcome – Sum of individuals’ cost of purchased services from the RSA-911 (record position 104-109) for individuals who did not achieve an employment outcome (record position 198 = 4) divided by the total number of these individuals
- Average hourly earnings for competitive employment outcomes - Sum of individuals’ weekly earnings at closure (record position 163-166) divided by the total hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure > 0, where the type of closure (record position 198) = 3, and where competitive employment (record position 162) = 1
- Average state hourly earnings – Using the most relevant available data from the Bureau of Labor Statistics Report (http://www.bls.gov), state average annual earnings divided by 2,080 hours
- Percent average hourly earnings for competitive employment outcomes to state average hourly earnings – Average hourly earnings for competitive employment outcomes (above) divided by the Average state hourly earnings (above) multiplied by 100

- Average hours worked per week for competitive employment outcomes - Average hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure (record position 163-166) > 0 and where the type of closure (record position 198) = 3 and competitive employment (record position 162) = 1

- Percent of transition age served to total served – Total number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) is 3 or 4 divided by all individuals of any age whose type of closure (record position 198) is 3 or 4

- Employment rate for transition population served – Total number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) = 3 divided by the number of individuals whose age at closure is 14-24 and whose type of closure (record position 198) is 3 or 4 multiplied, the result of which is multiplied by 100

- Average time between application and closure (in months) for individuals with competitive employment outcomes - Average of individuals date of closure (record position 201-208) minus date of application (record position 15-22) in months where type of closure (record position 198) = 3 and competitive employment (record position 162) = 1

- 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.

II. Program Highlights (From RSA 704 report)

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