

**FISCAL YEAR 2017
MONITORING REPORT
ON THE
MASSACHUSETTS REHABILITATION
COMMISSION
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS**



**U.S. Department of Education
Office of Special Education and
Rehabilitative Services
Rehabilitation Services Administration**

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SECTION 1: EXECUTIVE SUMMARY

A. Background

Section 107 of the Rehabilitation Act of 1973 (Act), as amended by title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under title I of the Act to determine whether a vocational rehabilitation (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 subject to the performance accountability provisions described in section 116(b) of WIOA. 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 Services under Title VI, of the Act.

Through its monitoring of the VR and State Supported Employment Services programs (Supported Employment program) administered by the Massachusetts Rehabilitation Commission (MRC) in Federal fiscal year (FFY) 2017, RSA:

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of quality employment outcomes for individuals with disabilities and those with the most significant disabilities, including students and youth with disabilities;
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
 - Performance of the Vocational Rehabilitation Program;
 - Transition Services, including Pre-Employment Transition Services, for Students and Youth with Disabilities;
 - State Supported Employment Services program
 - Allocation and Expenditure of State Vocational Rehabilitation Services and State Supported Employment Services Program Funds; and
 - Joint Workforce Innovation and Opportunity Act Final Rule Implementation.

In addition, RSA reviewed a sample of individual case service records to assess internal controls for the accuracy and validity of Case Service Report (RSA-911) data and provided technical assistance to the VR agency to enable it to enhance its performance.

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an on-site visit from August 21 through August 24, 2017, is described in detail in the Federal [FY 2017 Vocational Rehabilitation Program Monitoring and Technical Assistance Guide](#).

B. Summary of Observations and Findings

RSA's review of MRC resulted in the observations and findings summarized below. The entire observations and findings, along with the recommendations and corrective actions that the agency can undertake to improve its performance, are contained within the sections of this report covering the focus areas to which they pertain.

Observations

RSA observed that:

- Many of the employment outcomes achieved are in occupations paying minimum wage for a limited number of hours, which may affect MRC's performance on common performance measures under WIOA;
- MRC may not be capturing, coding and reporting all services provided to an individual, including services provided to individuals in supported employment; and
- The majority of transition age youth served by MRC achieved minimum wage, entry level employment with little opportunity for advancement.

Findings

RSA found that:

- While MRC demonstrated improvement over the three-year period reviewed, MRC did not determine the eligibility of applicants for VR services within the required 60-day time frame from the date of application pursuant to 34 CFR §361.41(b)(1), and promptly and equitably handle referrals to facilitate making applications leading to assessments for determining eligibility in a timely manner;
- MRC did not develop IPEs in a timely manner pursuant to 34 CFR §361.45(a)(1) and within the required 90-day time frame pursuant to 34 CFR §361.45(e);
- MRC is not providing or arranging for the provision of pre-employment transition services to potentially eligible students with disabilities statewide as required under 34 CFR §361.48(a) because it has elected to provide these services only to applicants for VR services;
- MRC is not complying with the State's earliest age requirements for provision of transition services under IDEA in its provision of pre-employment transition services to students with disabilities;
- MRC does not maintain effective internal controls over the Federal award that provide reasonable assurances that the non-Federal entity is managing the Federal award in compliance with requirements related to contract monitoring, monitoring agency assignment of obligations and review of expenditures, reporting requirements, and overall accountability;
- MRC does not accurately account for and report obligations to ensure expenditures are paid from the correct Federal award;
- MRC was improperly charging personnel costs for staff working on the non-VR programs solely to the VR award and did not have sufficient internal controls to ensure

the proper assignment of holiday, vacation, and sick leave expenditures to the benefitting programs in accordance with the amount of time spent working on the cost objective;

- MRC did not have written processes for accounting for prior approval requirements, including an internal control process to ensure requirements are met; and
- MRC did not satisfy the joint one-stop requirements in 34 CFR §361, subpart F, related to Memorandum of Understanding (MOU) and infrastructure cost requirements, because it did not participate in local funding mechanism negotiations and did not satisfy the non-delegable functions as the designated State unit (DSU) for the VR program.

C. Summary of Technical Assistance

During the review process, RSA provided technical assistance to MRC on the following topics:

- Information regarding the definition of and requirements for internal controls;
- Strategies to improve effectiveness and efficiency in the VR process and service delivery;
- The revision of the interagency agreement between MRC and the Massachusetts Department of Elementary and Secondary Education (DESE) to meet the requirements of 34 CFR §361.22(b);
- Input into the comprehensive statewide needs assessment (CSNA) on the vocational rehabilitation needs of students and youth with disabilities from key informants such as staff from one-stops, mental health and developmental disabilities agencies and others that would provide a perspective on students and youth who may not be connected to MRC programs and services at this time;
- Potential revision by MRC of the performance measure listed in its portion of the Massachusetts Unified State plan for goal 9, “maximize the number and percentage of youth consumers served by MRC completing education and training programs, including postsecondary education” to include language requiring the completion of an education program and obtaining a credential;
- Updates to transition policies that reflect requirements under the WIOA amendments to the Rehabilitation Act;
- The addition of clarifying language within MRC’s agreements with Department of Disabilities Services (DDS) and Department of Mental Health (DMH) to include specific responsibilities for each entity regarding services and supports for individuals needing long-term supports to maintain competitive integrated employment;
- The provision of services for youth with the most significant disabilities and the ability for VR agencies to expend Supported Employment or VR program funds for those youth meeting eligibility;
- Updates to supported employment policies that reflect requirements under the WIOA amendments, including clear identification of policies that apply to adults and policies that apply to youth;
- Fiscal forecasting and cost savings in response to MRC’s concerns that it was approaching a critical funding shortfall;
- The process of obligating, tracking, liquidating and reporting of Federal and non-Federal expenditures to the appropriate FFY award within the appropriate period of performance;

- Personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 431);
- Prior approval requirements in the Uniform Guidance (2 CFR §200.407); and
- Cost Allocation and Administrative Control of Infrastructure and Shared Costs.

As a result of the monitoring process, MRC and RSA identified the need for additional technical assistance in the following areas:

- Best practices for use of fiscal staff, the benefits of centralizing fiscal staff, as well as the difficulties agencies have faced using this approach.

D. Review Team Participants

Members of the RSA review team included James Billy and Janette Shell (Technical Assistance Unit), Julya Doyle and Mariangela Patruno (Fiscal Unit), Zera Hoosier and Larry Vrooman (Vocational Rehabilitation Program Unit) and Yann-Yann Shieh (Data Collection and Analysis Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

E. Acknowledgements

RSA wishes to express appreciation to the representatives of MRC for the cooperation and assistance extended throughout the monitoring process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC), the Client Assistance Program (CAP) and advocates, and other stakeholders, in the monitoring process.

SECTION 2: FOCUS AREA – PERFORMANCE OF THE VOCATIONAL REHABILITATION PROGRAM

A. Nature and Scope

Through implementation of this focus area, RSA assessed the achievement of quality employment outcomes by individuals with disabilities served in the VR program by conducting an in-depth and integrated analysis of core VR program data and review of individual case service records. The analysis represents a broad overview of the VR program administered by MRC, and included employment outcomes in competitive integrated employment and supported employment. It should not be construed as a definitive or exhaustive review of all available VR program data. The data generally measure performance based on individuals who exited the VR program during the most recently completed three-year period for which data are available. Consequently, the tables do not provide complete information that could otherwise be derived from examining open service records. The analysis includes the number of individuals participating in the various stages of the VR process; the number and quality of employment outcomes; the services provided to eligible individuals; the types of disabilities experienced by individuals receiving services; and the amount of time individuals are engaged in the various stages of the VR process, including eligibility determination, development of the individualized plan for employment (IPE), and the provision of services. RSA also reviewed policies and procedures related to internal controls necessary for the verification of data and compared the performance of MRC with that of all VR agencies of similar type (i.e., general agencies).

In addition to data tables, the review team used a variety of other resources to better understand the performance trends indicated by the outcomes measured. Other resources included, but were not limited to:

- Agency policies and procedures related to the provision of transition and pre-employment transition services, competitive integrated employment, and supported employment services; and
- Description in the VR services portion of the program year 2016 Unified State Plan describing goals and priorities pertaining to the performance of the VR program.

The review teams shared the data with the VR agency prior to the on-site visit and solicited information throughout the review process explaining the performance trends demonstrated by the data. Specifically, the review teams met with:

- The VR agency director;
- VR agency managers and supervisors;
- VR counselors;
- VR agency personnel; and
- Representatives of the SRC, the CAP, and other VR program stakeholders.

In addition to a review of the RSA-911 and Quarterly Cumulative Caseload Report (RSA-113) data provided by the VR agency, RSA conducted a review of individual service records. RSA

provided guidelines to the VR agency prior to the on-site visit. The review team discussed the selection of service records with MRC and the method it uses to maintain records. RSA used the information obtained through the review of service records to assess MRC's internal controls for the accuracy and validity of RSA-911 data.

The review team provided technical assistance on the WIOA joint performance accountability measures established in section 116(b) of WIOA. RSA did not issue compliance findings on these measures. However, the review team and VR agency used these measures to discuss the potential effect of the joint performance accountability measures on the State and agency level performance.

RSA provided additional technical assistance to the VR agency during the course of monitoring to enable it to improve programmatic performance.

B. Overview and Internal Controls

RSA reviewed MRC performance during FFYs 2014, 2015, and 2016, with particular attention given to the number and quality of outcomes achieved by individuals with disabilities in the State. Additionally, the review addressed the number of individuals who were determined eligible for VR services, who were placed on a waiting list due to implementation of an Order of Selection (OOS), as applicable, and who received services through the VR program. The data used in this review were provided by MRC to RSA on the RSA-113 and the RSA-911 reports.

The VR Process

The total number of applicants for MRC services varied during the period FFY 2014 through FFY 2016, increasing over the period by 1,575 individuals. The number of eligible individuals increased overall during this period by approximately 1000 individuals. There is a positive trend in the number of individuals receiving services under an IPE, with an increase of nearly 2000 between FFY 2014 and FFY 2016. The percentage of individuals who were accepted for services but received no services decreased from 30.8 percent to 17.3 percent, lower than the national performance for general agencies in FFY 2016 of 24.70 percent. The percentage of individuals that exited the VR program without employment after eligibility but before an IPE was signed or before receiving services decreased from 33.9 percent in FFY 2014 to 21.3 percent in FFY 2016 compared to the national performance of 27.0 percent for all general agencies in FFY 2016. These are all positive trends.

The number and percentage of individuals exiting the VR program as an applicant increased over the three year period from 446 (4.4 percent) in FFY 2014 to 636 (6.4 percent) in FFY 2016, but is much lower than the performance for all general agencies in FFY 2016 of 12.9 percent. The percentage of individuals exiting without employment after receiving services increased over the three year period from 24.8 percent in FFY 2014 to 32.6 percent in FFY 2016 compared to 25.2 percent for all general agencies that same year.

Employment Outcomes

The number and percentage of individuals exiting the VR program with employment remained relatively steady for FFY 2014 through FFY 2016. The decrease in the employment rate from

59.8 percent in FFY 2014 to 49.0 percent in FFY 2015 is likely due to the substantial increase in the number of service records closed for FFY 2015. The number of service records closed in FFY 2015 (11,348) exceeded those closed in FFY 2014 (10,140) by 1,208. The total number of service records closed decreased in FFY 2016 to 9,889. MRC explained that staff made an effort to close service records for individuals who were no longer engaged with the VR program, allowing the agency to focus on those individuals who were engaged. The employment rate increased to 54.9 percent for FFY 2016 compared to 57.2 percent for agencies of this type nationally in the same year. Over the three-year period, the percentage of individuals whose service records were closed and who achieved competitive employment increased, from 96.9 percent in FFY 2014 to 99.9 percent in FFY 2016. The performance for general agencies nationally was 97.7 percent.

MRC reported an increase in the average hourly earnings for competitive employment outcomes from \$12.69 to \$13.53 over the three-year period, comparing favorably with the national performance of all general agencies of \$12.37 per hour in FFY 2016. The median hourly earnings for competitive employment outcomes increased slightly from \$10.52 in FFY 2014 to \$11.00 for FFYs 2015 and 2016. The average hours worked per week increased slightly from 26.86 in FFY 2014 to 27.14 in FFY 2016, compared to the performance for all general agencies of 30.4 hours. Median hours worked per week remained stable at 25 over the three year period.

The estimated quarterly median earnings for an individual increased from \$3,601 in FFY 2014 to \$3,900 for FFY 2016, compared to \$4,160 in FFY 2016 for all general agencies. This measure is similar to the WIOA joint performance indicator Median Earnings-Second Quarter After Exit.

While there are many factors that contribute to the median hourly earnings and median hours worked per week, a significant factor is the type of employment outcomes achieved by MRC consumers. As identified in Tables 3.5a and 3.5b, the top five occupational classifications (in terms of the number of employment outcomes) for MRC employment outcomes and their median hourly earnings in FFY 2016 were, in order: office and administrative support (\$10.51); sales and related (\$10.00); food preparation and serving (\$10.00); transportation and material moving (\$11.00); and, community and social services (\$13.98). The number of employment outcomes in food preparation, office, sales and transportation increased over the three-year period while employment outcomes in the highest paying occupation, community and social services, decreased over the same period. The State minimum wage in Massachusetts for 2016 was \$10.00 per hour.

VR Services Provided

Overall, the provision of nearly all services decreased over the period FFY 2014 through FFY 2016. MRC stated that there was a large increase in the number of students with disabilities and in the number of individuals with mental health disabilities that created greater demand for services and increased caseload size. Additionally, MRC experienced a large number of retirements and vacancies further increasing caseload size and straining staff resources. Increasing caseload size prompted efforts to implement time-saving case management practices, such as listing on the IPE only the services purchased or provided by MRC.

MRC reduced the provision of assessment as well as diagnosis and treatment services by changing its procedures to require the use of existing information as much as possible to

determine eligibility and to develop IPEs. A change in coding practices to more accurately reflect the services provided led to a decrease in the reporting of “other services” from 38.3 percent to 16.0 percent over the three year period. The percentage of individuals who received training or education services, decreased in all categories over the three-year period. MRC indicated that the decrease in miscellaneous training is due to the training of staff on proper coding. MRC also indicated that the agency is providing more short-term training programs and on-the-job training opportunities to explain why the provision of college and university training was low. However, the data reported over the three-year period does not support that explanation.

Select Measures for All Individuals Served by Type of Impairment

The number of individuals within each of the five impairment types contained in Table 3.3b remained relatively stable for period FFY 2014 through FFY 2016 with nearly all impairment types seeing an increase in the number served from FFY 2014 to FFY 2015 with a decrease in FFY 2016 from the previous year. The employment rate for each of the impairment types, with the exception of the rate for individuals with visual impairments, decreased from FFY 2014 to FFY 2015 and then increased for FFY 2016 but did not reach the level achieved in FFY 2014. The employment rate for individuals with visual impairments decreased each year in the three-year period, from 75.8 percent in FFY 2014 to 55.6 percent in FFY 2016, which is comparable to the performance nationally of 56.2 percent for all general agencies that year.

Individuals with psychological or psychosocial impairments exiting with and without employment outcomes increased over the three-year period from 1,668 (44.6 percent) to 1,869 (47.6 percent) individuals exiting with an employment outcome, and 1,312 (52.1 percent) to 1,771 (54.9 percent) individuals exiting without an employment outcome. This impairment type was the highest among the five in terms of individuals exiting with and without employment outcomes. Additionally, in FFY 2016, the percentage of individuals in this impairment group with employment outcomes (47.6 percent) and the percentage of individuals exiting without an employment outcome (54.9 percent) were higher than the national performance for all general agencies. The number and percent of individuals with physical impairments achieving an employment outcome decreased from FFY 2014 to FFY 2016 with the percentage for each decreasing approximately 2 percent. Employment outcomes for individuals with auditory and communicative disorders decreased from 10.0 percent in FFY 2014 to 8.8 percent in FFY 2016 compared to the national performance of 17.8 percent for all general agencies that year. Despite these trends, the overall picture of employment outcomes, as well as non-employment outcomes, by impairment type has remained relatively stable in terms of percentage over the three year period.

Length of Time in Stages of the VR Process

MRC increased the percentage of all individuals determined eligible within 60 days of application from 87.3 percent in FFY 2014 to 90.5 percent in FFY 2016, exceeding the national performance for general agencies in FFY 2016 of 84.4 percent. The RSA-911 does not collect data on the number of eligibility determination extensions. MRC provided RSA with open case data for the period September 2016 through June 2017 to present a picture of current performance. During that period, 93.06 percent of applicants were determined eligible within 60

days of application and 95.57 percent were determined within 120 days with a valid extension for determining eligibility.

The percentage of IPEs developed within the required time frame of 90 days from eligibility determination increased over the three-year period, however, in the best year, FFY 2016, only 53.0 percent of IPEs were developed within the required 90 day time frame. This performance is far below the national performance of 72.8 percent for all general agencies. MRC provided RSA with open case data for the period of September 2016 to June 2017 that indicates that 87.4 percent of IPEs were developed within 90 days from the date of eligibility determination and 90.4 percent were developed within 120 days with a valid IPE extension.

During the period reviewed, most individuals exiting the VR program after receiving services left between 13 and 24 months from the date of their IPE, which is consistent with the national performance of general agencies. MRC's performance differed from that of all general agencies in that a smaller percentage of those exiting the program left during the period of 0 to 12 months after the implementation of the IPE and a higher percentage of individuals exited the program during the period 25 to 60 months and the period "more than 5 years."

Internal Controls

RSA reviewed 30 randomly selected service records closed in FY 2016. The results of this review are detailed in Appendix B. In summary, for all individuals whose closed service records were reviewed, 13 of 30 (43.33 percent) had documentation in the service record verifying the date of application reported on the RSA-911. The remaining five data elements had accuracy ratings of 93 percent to 100 percent.

Documentation was present in 28 of 30 service records for date of eligibility determination and 28 of 30 (93.33 percent) for date of initial IPE. Of the service records reviewed, 29 of 30 (96.67 percent) contained documentation verifying the reported start date in the individual's primary occupation. Employment status at closure, weekly earnings at employment, type of closure and date of closure were documented in all 30 service records reviewed.

In all, 12 service records contained all required documentation and the remaining 18 contained the required documentation for four or more elements reviewed. No service records were missing all required documentation.

MRC stated during the on-site discussion of preliminary results that its electronic case management system automatically populates the date of application as the date the service record is opened in the system and data is entered. The system does not include a window that allows the staff person to enter an alternate date nor does it have override capability.

While conducting this check of internal controls, the RSA review team noticed a significant delay between referral date and date of application. Fourteen of 31 (45 percent) service records reviewed had a delay between referral and application. Thirteen service records had a delay of one to seven months and one service record documented a delay of 11 months between the two dates. MRC must have standards for the prompt and equitable handling of referrals of individuals for VR services in order to facilitate and demonstrate good faith efforts to assist individuals in making applications leading to assessments for determining eligibility. Managing the flow of applicants through delays in processing referrals has the potential to undermine the intent of the 60-day eligibility determination requirement.

C. Analysis of Performance and Observations

RSA's review and analysis of the performance of MRC in this focus area resulted in the following observations.

2.1 Quality of Employment Outcomes

Observation: Many of the employment outcomes achieved are in occupations paying minimum wage for a limited number of hours, which may affect MRC's performance on common performance measures under WIOA.

While individuals served by MRC achieve employment outcomes in diverse occupations at a range of hourly earnings, many of the employment outcomes achieved are in occupations paying minimum wage for a limited number of hours.

As noted in the overview to this focus area, four of the five occupations in which individuals achieved competitive employment paid \$10.00 to \$11.00 per hour in FY 2016, with the median hourly wage earned for all occupations of \$11.00 per hour. The minimum wage in Massachusetts that year was \$10.00 per hour. In addition, the median number of hours worked per week was 25 hours that year compared to the national performance for all general agencies of 32 hours per week. RSA explained that both hourly wages earned and the hours worked per week are factors in the common performance measure of median earnings of individuals in unsubsidized employment during the second quarter after exit. In order for the agency to perform well on this measure, an increase in median hourly earnings and median hours worked per week is needed.

MRC indicated that a high percentage of individuals on the agency's caseload receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits and want to limit their earnings in order to maintain those benefits. Limiting their earnings can result from either working a limited number of hours and/or limiting hourly earnings. While MRC provides benefits planning services, it only serves one-half of the State.

An additional factor in achieving high quality employment outcomes is obtaining education and training to prepare for and obtain positions leading to career paths and advancement. As illustrated in Table 3.2a, the provision of college or university training, four-year or university

training, and junior or community college training has decreased over the period FFY 2014 through FFY 2016, as has occupational or vocational training and on-the-job training. MRC believes that its efforts in developing and providing short-term training programs, such as its job-driven training programs in pharmacy technician with CVS or positions at Home Depot, may be one reason for the decrease in other training and education services. However, the data in Table 3.2a does not appear to support this explanation. The data in Table 3.2a describe decreases in the provision of occupational and vocational training; on-the-job-training; and miscellaneous training and an increase in apprenticeship training from zero percent in FFY 2014 and 2015 to 0.2 percent in FFY 2016.

2.2 Accurate Coding and Reporting of Services Provided

Observation: MRC may not be capturing, coding and reporting all services provided to an individual.

During RSA's monitoring discussions regarding performance of the VR program, questions arose regarding MRC practices in recording, coding and reporting of services provided. Two factors were discussed – recording all services to be provided on the IPE and the accurate coding of services provided.

The decrease in the services provided as reported on the RSA-911 may be due, in part, to the practice of only recording the services on the IPE provided by MRC, omitting any service provided as a comparable benefit or service. For example, the provision of benefits planning services may be under reported because these services are provided by MRC, and by another entity on a geographic basis within the State. In addition, occupational, vocational training or on-the-job training may be under reported if the training is provided by the employer or another entity and does not require MRC resources.

As discussed earlier, MRC suggested that the decrease in provision of college or university training may be related to its use of short-term training, particularly the job-driven training programs developed by MRC's employment specialists with partners such as CVS pharmacy and Home Depot. Such training has a classroom component addressing soft skills training and an on-the-job component. The data reported to RSA and displayed in Table 3.2a shows decreases in the provision of short-term training over the three year period rather than increases. This may suggest that staff is miscoding these services as job readiness training, or services related to job placement or short-term on-the-job supports.

D. Recommendations

RSA's review of the performance of the VR program in this focus area resulted in the following recommendations. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below recommendations.

RSA recommends that MRC:

2.1. Quality of Employment Outcomes

- 2.1.1 Continue its efforts to build its business services model not only to obtain placements and assistance in providing pre-employment transition services, but also to gain employer referrals to businesses with higher paying employment opportunities;
- 2.1.2 Take steps to create a culture of high expectations among its staff, consumers, and their families, and put in place programs, services and supports, that address the fear of losing Social Security benefits, promote strategies for future financial planning, and build confidence to succeed in employment and maximize earning potential;
- 2.1.3 Identify and address the factors that contribute to the pattern of decreasing service provision in nearly all service categories, and analyze those services that result in higher quality employment; and
- 2.1.4 Project its performance on the common measure median hourly earnings in unsubsidized employment during the second quarter after exit and develop a goal and timeline for achieving a higher performance target.

2.2 Accurate Coding and Reporting of Services Provided

- 2.2.1 Use its service record review process to identify casework practices that result in inaccurate recording and reporting of services provided;
- 2.2.2 Provide staff training to achieve accurate recording of services provided, including that the IPE contain all services needed and provided to achieve the vocational goal, including providers of comparable benefits and services, until consistency and accuracy is achieved; and
- 2.2.3 Monitor IPE content, case recording and statistical reporting to ensure that accurate data regarding services provided is being reported on the RSA-911.

E. Findings and Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area resulted in the identification of the following findings and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

2.1 Untimely Eligibility Determination

Issue: Did MRC determine the eligibility of applicants for VR services within the required 60-day time frame from the date of application, and promptly and equitably handle referrals to facilitate making applications leading to assessments for determining eligibility in a timely manner.

Requirement: Under 34 CFR §361.41(b)(1), eligibility determinations are to be made for individuals who have submitted an application for VR services, including applications made through common intake procedures in one-stop centers under section 121 of WIOA, within 60 days, unless there are exceptional and unforeseen circumstances beyond the control of the DSU and the individual and DSU agree to a specific extension of time or an exploration of the individual's abilities, capabilities, and capacity to perform in work situations is carried out in accordance with 34 CFR §361.42(e). In addition, in accordance with 34 CFR §361.41(a) the designated State unit must establish and implement standards for the prompt and equitable

handling of referrals of individuals for VR services including referrals of individuals made through the one-stop service delivery systems established under section 121 of WIOA. The standards must include timelines for making good faith efforts to inform these individuals of application requirements and to gather information necessary to initiate an assessment for determining eligibility and priority for services.

Analysis: As part of the monitoring process, RSA analyzed the length of time it took for MRC to make eligibility determinations for VR applicants. According to reported data for FFYs 2014, 2015, and 2016 by MRC on the RSA-911 and current year data:

- Of all individuals served whose service records were closed in FFYs 2014, 2015, and 2016, 87.3 percent, 88.6 percent, and 90.5 percent, respectively, had an eligibility determination made within the required 60-day period; and
- Open case data provided by MRC to RSA for the period September 2016 through June 2017 showed 93.06 percent of applicants were determined eligible within 60 days, and 95.57 percent were determined within 120 days with a valid extension for determining eligibility, demonstrating continuing improvement.

In the review of service records, RSA noted:

- Fourteen of 31 (45 percent) service records reviewed had a delay between referral and application; and
- Thirteen service records had a delay of one to seven months and one service record documented a delay of 11 months between the two dates.

Conclusion: As a result of the analysis of closed service record performance data and recent open service record performance data, RSA concluded that although MRC showed improvement in satisfying the 60-day time frame for eligibility determination in 34 CFR §361.41(b)(1), it did not do so for each year of the period under review. Additionally, as discovered in the service record review, the delays between the dates of referral and application indicate that MRC does not have sufficient standards for the prompt and equitable handling of referrals of individuals for vocational rehabilitation services in order to facilitate and demonstrate good faith efforts to assist individuals in making applications leading to assessments for determining eligibility in a timely manner.

Corrective Action Steps: RSA requires that MRC:

- 2.1.1 Comply with 34 CFR §361.41(b)(1) by making eligibility determinations within the required 60-day period, or when appropriate, ensure a properly documented and approved eligibility determination extension is in place;
- 2.1.2 Fully assess and identify the factors leading to eligibility determinations exceeding 60 days (e.g. effective and efficient management of caseloads) and develop and implement a plan to address and correct the identified factors;
- 2.1.3 Develop and implement standards and strategies to ensure the prompt and equitable handling of referrals of individuals for vocational rehabilitation services in order to

facilitate and demonstrate good faith efforts to assist individuals in making applications leading to assessments for determining eligibility in a timely manner in accordance with 34 CFR §361.41(a); and

- 2.1.4 Review the requirements for applications in 34 CFR §361.41(b)(2) and ensure that application forms are widely available throughout the State, particularly in the one-stop centers established under section 121 of WIOA in accordance with 34 CFR §361.41(b)(3).

2.2 Untimely Development of IPEs

Issue: Did MRC develop IPEs within the required 90-day time frame from the date of eligibility determination for each individual.

Requirement: In accordance with 34 CFR §361.45(a), the VR services portion of the Unified or Combined State plan must assure that an IPE meeting the requirements of this section and 34 CFR §361.46 is developed and implemented in a timely manner for each individual determined to be eligible for VR services or, if the DSU is operating under an order of selection pursuant to 34 CFR §361.36, for each eligible individual to whom the State unit is able to provide services. In addition, under 34 CFR §361.45(e), the IPE must be developed as soon as possible, but not later than 90 days after the date of determination of eligibility, unless the State unit and the eligible individual agree to the extension of that deadline to a specific date by which the IPE must be completed.

Analysis: As part of the monitoring process, RSA analyzed the length of time it took for MRC to develop IPEs for individuals determined eligible for VR services. FFY 2016 data reported by MRC on the RSA-911 and additional FY 2017 data provided by MRC show:

- Of all individuals served whose service records were closed in FFY 2016, 53 percent had an IPE developed within the required 90-day period, compared to the national performance of 72.8 percent for general agencies;
- The percentage of all individuals served whose service records were closed in FFY 2016 with IPEs developed beyond the required 90-day period was 47.0 percent, compared to the national performance of 27.2 percent for general agencies;
- Data requested from and provided by MRC for the period of July 1, 2016 through June 30, 2017 indicated that 87.4 percent of IPEs were developed within the 90-day time frame from eligibility determination;
- Of individuals under the age of 25 at exit whose service records were closed in FFY 2016, 53.68 percent had an IPE developed within the required 90-day period, compared to the national performance of 69.93 percent for general agencies;
- Data requested from and provided by MRC for the period of July 1, 2016 through June 30, 2017 indicated that 3,266 of the 3,768 individuals that moved from eligibility to plan who were under age 25, moved from eligibility to plan in 90 days or less, resulting in 86.7 percent of youth developing an IPE within 90 days;
- Of the 250 individuals served who achieved supported employment and whose service records were closed in FFY 2016, 185 individuals or 74 percent had an IPE developed

within the required 90-day period, compared to the national performance of 76.93 percent for general agencies; and

- Data requested from and provided by MRC indicated that during the period July 1, 2016 to June 30, 2017, 94 percent or 188 of 200 individuals seeking supported employment had IPEs developed within the required 90-day time frame and an additional four individuals (2.0 percent) obtained IPEs in 91-120 days with a valid IPE extension.

Conclusion: As the FFY 2016 performance data demonstrate, MRC did not develop IPEs within 90 days following the date of eligibility determination for each eligible individual whose service record was closed. Although open case data presented by the agency showed improvement, the development of the IPE for each individual did not meet the 90-day time frame; however, valid extensions were noted in some cases. As a result of the analysis, MRC did not develop IPEs in a timely manner pursuant to 34 CFR §361.45(a)(1) and within the required 90-day period pursuant to 34 CFR §361.45(e).

Corrective Action Steps: RSA requires that MRC:

- 2.2.1 Comply with 34 CFR §361.45(a)(1) and (e) to ensure IPEs are developed within the 90-day Federal time frame from date of application;
- 2.2.2 Assess factors leading to untimely IPE development and develop and implement a plan to address these factors;
- 2.2.3 Evaluate current procedures for tracking and monitoring counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the development of internal control processes, use of case management tools, and supervisory review of timely IPE development; and
- 2.2.4 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

F. Technical Assistance

During the course of monitoring activities, RSA provided the following technical assistance.

Effectiveness and Efficiency in the VR Process and Service Delivery

RSA and MRC reviewed the agency's steps to improve efficiency and effectiveness in service delivery and reduce costs of services in order to serve more individuals with the same or decreased funds. For example, MRC changed its procedures to require the use of existing information for eligibility determination and identifying vocational rehabilitation needs rather than purchasing new evaluations. MRC described a thorough fiscal forecasting process in terms of projecting costs and available funds for coming years, including estimates of staffing costs, costs for services, projected carryover funds, projected funds for necessary contracts, and trends in the availability of Federal reallocation funds.

During on-site discussions on this topic, MRC did not describe an assessment of program capacity to serve all individuals with disabilities, particularly with respect to staff resources. RSA noted to the agency some possible indicators of insufficient staff resources to serve all

eligible individuals such as the need to close service records of individuals who were seemingly not engaged in the VR process in order to focus its staff resources on those individuals who were engaged. MRC stated that many of the individuals whose service records were closed could not be located. Other individuals had changes in counselors during their service due to retirements, disrupting the valuable relationship between individuals and their counselors. Retirements and vacancies resulted in increased caseload size and decreased time for each individual.

The length of time from IPE to closure may also be an indicator of difficulties with consumer engagement and strained staff resources. As demonstrated in Table 3.4c, 47.5 percent of service records closed in FFY 2016 were closed between 25 months and more than 60 months from the date of the IPE compared to 30.5 percent for general agencies nationally for the same time period. This could be considered a positive trend if individuals were engaged in vocational or educational programs longer than two years. Typically, service records open longer than 24 months involve college or university training. However, as discussed earlier, the provision of college and university training has decreased from 29 percent in FFY 2014 to 10.5 percent in FFY 2016. The number of individuals receiving college or university training, four-year or university training, junior or community college training or occupational or vocational training totaled 994 in FFY 2016 while the number of individuals whose service records were closed between 25 months and over 60 months totaled 3,397. If the provision of education and long-term training programs is limited, for what reasons are service records open for three to five years? There are other potential factors in this length of service, such as interruptions due to illness, injury or family circumstances, but difficulties with consumer engagement and strained staff resources may also be contributing factors to this performance.

Another potential indicator of strained staff resources is the substantial delay between date of referral and date of application noted during the review of service records for data verification. If these delays are found in a more extensive review of service records, they may suggest that staff cannot handle referrals in a timely manner because the system is overloaded and cannot meet the demand for services. If MRC is unable to maintain the rates of compliance for determining eligibility and developing IPEs achieved in FFY 2017, these may also be indicators of inadequate staff resources.

While the pattern of decreasing provision of services discussed in observation 2.2 may be explained by the IPE listing only the services that are purchased or provided by MRC, it may also signal cost containment measures to facilitate serving as many individuals with disabilities as possible.

RSA reviewed strategies used to manage both staff and funding shortages, including implementing an order of selection (OOS) or cost containment measures such as financial participation based on financial need. MRC could assess its need for implementing an OOS or cost containment measures in the future by conducting a thorough review of the variables related to the time between referral and application (e.g., geographic region, referral source, staff capacity and caseload size by office, etc.). With respect to improving efficiency in the VR process, MRC could review its service delivery structure or staff roles to determine whether modifications could lead to more timely service delivery and improved engagement of individuals with disabilities leading to better outcomes.

SECTION 3: FOCUS AREA – TRANSITION SERVICES, INCLUDING PRE-EMPLOYMENT TRANSITION SERVICES FOR STUDENTS AND YOUTH WITH DISABILITIES

A. Nature and Scope

Through the implementation of this focus area, RSA assessed the VR agency performance and technical assistance needs related to the provision of transition services, including pre-employment transition services, to students and youth with disabilities and the employment outcomes achieved by these individuals. For purposes of the VR program, “transition services” are defined as a coordinated set of activities for a student or youth with a disability, designed within an outcome-oriented process that promotes movement from school to post-school activities, including post-secondary education, vocational training, competitive integrated employment, supported employment, continuing and adult education, adult services, independent living, or community participation.

The Act, as amended by WIOA, places heightened emphasis on the provision of services, including pre-employment transition services, to students and youth with disabilities to ensure they have meaningful opportunities to receive training and other services necessary to achieve employment outcomes in competitive integrated employment. Pre-employment transition services are designed to help students with disabilities to begin to identify career interests that will be explored further through additional vocational rehabilitation services, such as transition services.

“Pre-employment transition services,” defined in section 7(30) of the Act and 34 CFR §361.5(c)(42), include both required activities and authorized activities specified in section 113 of the Act and in 34 CFR §361.48(a). Pre-employment transition services also include pre-employment transition coordination activities. Section 113(a) of the Act requires that VR agencies provide, or arrange for the provision of, pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services. The term “potentially eligible” is specific to the provision of pre-employment transition services but is not defined in the Act. A “student with a disability,” as defined in section 7(37) of the Act and 34 CFR §361.5(c)(51), includes the minimum age for the receipt of pre-employment transition services, the minimum age for the provision of transition services under IDEA, and the maximum age for the receipt of services under IDEA; thus, the implementing definition of “student with a disability” may vary from State to State.

“Youth with a disability” is defined in section 7(42) of the Act and in 34 CFR §361.5(c)(58) as an individual with a disability who is age 14 through 24. The distinction between the definitions of “student with a disability” and “youth with a disability” is critical for purposes of the various authorities for providing transition-related services, including pre-employment transition services.

During the monitoring process, RSA and the VR agency jointly reviewed applicable data and documentation related to transition and pre-employment transition services, which included:

- State educational agency (SEA) agreement;
- Policies related to the provision of transition services, including pre-employment transition services;
- An on-the-job training agreement;
- Assurance 4(c) and descriptions (j), (m), and (o), and any other relevant information from the most recently submitted VR services portion of the Unified or Combined State Plan;
- Federal Financial Report (SF-425) reporting procedures, especially as those procedures relate to the proper accounting and reporting of expenditures with funds reserved under section 110(d)(1) of the Act for the provision of pre-employment transition services for students with disabilities;
- Supporting documentation for expenditures incurred with funds reserved for the provision of pre-employment transition services and reported in line 12b of the SF-425; and
- Updated policies or procedures for tracking expenditures for the provision of pre-employment transition services for purchased services and services provided by VR agency personnel, and related procedures to exclude administrative costs from expenditures paid with funds reserved under section 110(d)(1) for the provision of pre-employment transition services (section 110(d)(2) of the Act prohibits such costs from being paid for with funds reserved under section 110(d)(1)).

In gathering information related to the provision of transition services, including pre-employment transition services, RSA consulted:

- The VR agency director and other senior managers;
- VR agency fiscal officers and staff;
- VR agency counselors;
- VR agency transition coordinator;
- Educational agencies; and
- Service providers.

B. Overview

Transition Service Delivery Structure

Each MRC VR counselor in the State is responsible for delivering pre-employment transition services and transition services. Counselors are assigned as liaisons for all 408 high schools in the Commonwealth of Massachusetts and are required, as of January 2017, to spend 7.5 hours weekly in their assigned schools. MRC's traditional approach to providing transition services to students with disabilities has been to respond to applications for VR services and the development of IPEs as a basis for providing those services. MRC delivers transition services to groups of students and youth with disabilities who are applicants or eligible individuals. Recently MRC began providing pre-employment transition services in group settings to students who had

applied or been found eligible for VR services. Individualized transition services are provided to individuals who have been determined eligible for VR services and who are developing or implementing an IPE. A January 2017 survey of MRC counselors, conducted as part of the CSNA, indicated that 49 percent of respondents provided pre-employment transition services in individual settings and that 36 percent provided these services both in individual and group settings.

MRC contracts with community rehabilitation programs (CRP), centers for independent living (CIL) and other vendors to provide certain pre-employment transition services and individualized transition services. Under contracts for pre-employment transition services, vendors are required to provide job exploration counseling, work-based learning experiences and work place readiness training, but are given the option to provide instruction in self-advocacy and counseling on opportunities to enroll in comprehensive transition and postsecondary education programs at institutions of higher education. At this time, seven of 23 CRPs provide one or both of the required activities that are optional under the contract for pre-employment transition services.

Prior to the WIOA amendments to the Rehabilitation Act, MRC typically began serving students two years prior to their planned exit from high school. Those students who were determined eligible worked with their VR counselor to develop their IPE prior to their exit from school. MRC continues to serve students who have applied for and been determined eligible for VR services; however, at the time of the review, MRC was not providing pre-employment transition services to potentially eligible students. MRC indicated that it could only track and report the provision of pre-employment transition services to applicants and eligible individuals, and had no method to track the provision of pre-employment transition services to potentially eligible students with disabilities.

Outreach

MRC's outreach methods include transition pamphlets and flyers; website information regarding transition services; presentations to special education directors, teachers and counselors; and, most importantly, the presence of VR counselors in the schools. Counselors and supervisors are encouraged to develop strong collaborative relationships with appropriate school personnel and to maintain high visibility in schools to ensure the full population of students with disabilities knows about MRC services and to encourage school personnel to make appropriate referrals. Referral procedures appear to be customized at the local level.

In addition to the outreach activities conducted by agency staff, MRC contracts with the Federation for Children with Special Needs to provide information and referral services to students and families about pre-employment transition services as well as to provide training services for parents and MRC staff.

Provision of Pre-Employment Transition Services

Required Activities

All five of the pre-employment transition services required activities are provided by MRC counselors directly, according to the needs of students with disabilities. In addition, as mentioned previously, vendors under contract with MRC also provide some or all of the required services.

However, MRC reported that it is a challenge, given staff resources, to provide pre-employment transition services at all high schools.

Authorized Activities

At the time of the review, MRC had conducted authorized activities in the form of staff training on pre-employment transition services; however, the agency had not charged the related staff time and travel to the reserved funds for pre-employment transition services. MRC stated that it did not do so because it was unsure of the amount of funds necessary to provide the required activities to students statewide. MRC does not have written policies on providing and tracking the provision of authorized activities and for expending funds from the pre-employment transition services reserve for such activities.

Coordination Activities

MRC prioritizes the coordination with schools, believing it is particularly important with respect to arranging work-based learning experiences for students with disabilities while ensuring that students complete required course work. Staff attend individualized education program (IEP) and other meetings needed to coordinate services. However, MRC has not been tracking staff time spent on these activities and has not charged these costs to the reserve funds for pre-employment transition services.

Transition Policies and Procedures

At the time of the review, MRC's written transition policies had not been updated to reflect requirements in the Rehabilitation Act as amended by WIOA, such as requiring that an IPE be developed within 90 days of eligibility determination and before the student with a disability leaves school, that an IPE may include a projected vocational goal, and that pre-employment transition services be made available to eligible and potentially eligible students with disabilities statewide.

In February 2016, MRC issued a transition handbook for staff and an instructional memorandum on providing transition services and pre-employment transition services. The handbook clearly outlines the roles and responsibilities of management and supervisory staff to provide transition services including the Commissioner and Deputy Commissioner, as well as direct service delivery staff, such as VR counselors, placement and employment service specialists and student benefits counselors. The handbook also includes the MRC VR School Transition Plan for providing school transition services. In addition, the handbook includes a brief summary, by CRP, of the pre-employment transition services required activities covered under MRC's contracts with providers.

Review of Programmatic Data for the Provision of Pre-Employment Transition Services

Attrition and Type of Closure

The percentage of individuals with disabilities under the age of 25 who exited the VR program as applicants increased over the three-year period from 3.86 percent in FFY 2014 to 6.42 percent in FFY 2016, compared to the performance for all general agencies in FFY 2016 of 10.73 percent. Individuals under the age of 25 who exited the VR program after receiving services without

achieving an employment outcome increased from 22.04 percent to 28.41 percent, compared to the national average for general agencies of 26.19 percent in FFY 2016. MRC explained this increase in closures without employment outcomes as likely due to an effort to close inactive cases and devote more attention to those individuals who are actively preparing for and seeking employment. In contrast, the percentage of individuals under the age of 25 exiting the VR program after eligibility determination but before an IPE was developed decreased from 38.73 percent in FFY 2014 to 23.42 percent in FFY 2016, compared to the performance for all general agencies in FFY 2016 of 27.0 percent.

Employment Outcomes

Employment outcomes for individuals under the age of 25 improved from 35.04 percent in FY 2014 to 39.84 percent in FY 2016, which is higher than the national performance for all general agencies of 31.8 percent in FFY 2016. However, the employment rate decreased from 61.39 percent to 58.38 percent over the same period, with an even larger dip in FFY 2015 to 51.33 percent. The employment rates by type of impairment for individuals under the age of 25 at exit (Table 4.3c) decreased significantly for individuals with visual impairments from 80 percent in FFY 2014 to 46.20 percent in FFY 2016 compared to a national performance of 51.55 percent. Additionally, the employment rate for individuals under the age of 25 with physical impairments decreased from 62.8 percent to 55.7 percent over the same period, and the employment rate for individuals with intellectual and learning disabilities decreased from 64.50 percent to 60.00 percent in FFY 2016.

The top five occupations in which individuals with disabilities under the age of 25 achieved employment outcomes in FY 2016 (Table 4.5a) were sales and related occupations, food preparation and serving related occupations, office and administrative and support, transportation and material moving occupations, and personal care and service occupations. All five occupations had a median hourly wage of \$10.00 per hour, the Massachusetts State minimum wage for 2016.

Services Provided

Over the three-year period under review, the provision of several VR services decreased (Table 4.2). MRC suggested that VR counselors may be listing on the IPE only those services purchased or directly provided by MRC and not comparable services and benefits, which are being maximized in an effort at cost containment by MRC. The VR agency added that counselors may be recording only purchased services to save time in light of increased caseload sizes, time spent in training on a new case management system implemented in 2014 and training to implement new requirements in the Rehabilitation Act.

A higher percentage of individuals under the age of 25 at exit received job placement services and four-year university training when compared to all individuals served by MRC; whereas, a higher percentage of all individuals served by MRC received occupational or vocational training than individuals with disabilities under the age of 25.

Length of Time from IPE to Closure

The length of time from IPE to closure for individuals under the age of 25 at exit is similar to that for all individuals with disabilities served by MRC. As table 4.4c demonstrates, 47.73

percent (954) of 1,999 service records closed in FFY 2016 were closed between 25 months and more than 60 months from the date of the IPE compared to the national performance of 35.71 percent for general agencies in the same year. The number of service records closed for individuals under the age of 25 receiving college or university training, four-year or university training, junior or community college training or occupational or vocational training totaled only 332 in FFY 2016 and cannot fully explain the length of time from IPE to closure of three to five years. Other potential factors contributing to this length of service may be interruptions due to illness, injury or family circumstances, difficulties with consumer engagement, and strained staff resources.

Referral Sources

Referrals resulting from the MOU between MRC and the Department of Disabilities Services (DDS) outlining referral procedures and coordination of services likely accounts for the increase in individuals served with intellectual and learning disabilities (Table 4.3a). Increased referrals and coordination of services was prompted by the closure of the DDS employment services program. A MOU was recently executed between MRC and the Department of Mental Health (DMH) to increase referrals and work collaboratively in serving individuals with mental health needs who are not connected to DMH.

Closure Reasons

The top three reasons for closing a service record for an individual with a disability under the age of 25 at exit are: 1) achieved an employment outcome, 2) no longer interested in receiving services or further services, and 3) unable to locate or contact (Table 4.7). The percentage of individuals under the age of 25 whose cases were closed because of the achievement of an employment outcome increased over the three-year period from 35.55 percent in FFY 2014 to 40.37 percent in FFY 2016 compared to the national performance of 32.60 percent for general agencies in FFY 2016. Closure of service records because an individual was no longer interested in receiving services decreased from 37.10 percent in FFY 2014 to 29.78 percent in FFY 2016 compared to the national performance of 30.99 percent in FFY 2016. Closure due to inability to locate or contact individuals was comparable to the national performance for all general agencies.

C. Analysis of Performance and Observations

RSA's review and analysis of the performance of MRC in this focus area resulted in the following observation.

3.1 Employment Outcomes

Observation: The majority of transition age youth served by MRC achieved minimum wage, entry level employment with little opportunity for advancement.

The employment outcomes achieved by individuals with disabilities under the age of 25 served by MRC during the review period were comprised substantially of jobs paying minimum wage or only slightly above in occupations with little opportunity for career advancement. RSA also

discussed with MRC the possibility that the service records for individuals under the age of 25 at exit may be closed with the first employment outcome achieved rather than continuing to work with an individual toward achieving a career. Coupled with the general decrease in the percentage of job training services reported over the three-year period with the exception of a better than national performance in the provision of four-year or university training and small increases in the provision of junior or community college and post-graduate training, RSA recommends that MRC explore strategies to improve its performance in promoting career-focused employment goals and maximizing employment for individuals with disabilities. Additionally, over the three-year period, the percentage of individuals under the age of 25 who exited the VR program without employment increased.

- Although employment outcomes improved from 35.04 percent in FY 2014 to 39.84 percent in FY 2016, higher than the performance for all general agencies nationally of 31.8 percent, the percentage of individuals who exited the VR program without employment outcomes after receiving services also increased over the same period from 22.04 percent to 28.41 percent, higher than the national performance for general agencies of 26.19 percent. MRC attributed this increase in closures without employment outcomes to its effort to close inactive cases and devote more attention to those individuals actively preparing for and seeking employment.
- The top five occupations in which individuals with disabilities under the age of 25 achieved employment outcomes in FY 2016 were sales and related occupations, food preparation and serving related occupations, office and administrative support occupations, transportation and material moving occupations, and personal care and service occupations.
- All five occupations paid an average of \$10.00 per hour (the State minimum wage in 2016).

D. Recommendations

RSA's review of the performance of the VR program in this focus area resulted in the following recommendations. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below recommendations.

RSA recommends that MRC:

3.1 Employment Outcomes

- 3.1.1 Implement strategies, internal and external, to strengthen job training opportunities and services while setting high expectations for students to enter high quality employment with opportunities for maximizing employment and career advancement;
- 3.1.2 Identify, develop, and execute strategies that lead to better engagement with students and youth receiving services to promote completion of their IPEs and prevent premature exit from the VR process prior to achieving successful employment outcomes; and

- 3.1.3 Reinforce with staff that while work experience can assist in preparing students and youth for a career, it does not constitute necessarily an employment outcome, but a step toward fulfilling the ultimate career goal.

E. Findings and Corrective Actions to Improve Performance

RSA’s review of the performance of the VR program in this focus area resulted in the identification of the following finding and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

3.1 No Provision of Pre-Employment Transition Services to Potentially Eligible Students with Disabilities

Issue: Does MRC provide or make available pre-employment transition services to students with disabilities statewide who are potentially eligible for VR services in accordance with 34 CFR §361.48(a).

Requirement: Section 113 of the Rehabilitation Act and 34 CFR §361.48(a) require the designated State unit, in collaboration with local educational agencies, to provide or arrange for the provision of pre-employment transition services for all students with disabilities in need of such services who are eligible or potentially eligible for VR services. Further, 34 CFR §361.48(a)(1) requires that pre-employment transition services be made available statewide to students with disabilities regardless of whether the student has applied for or been determined eligible for VR services.

Analysis: The term “potentially eligible” in section 113 of the Rehabilitation Act is specific to the provision of pre-employment transition services. The regulations in 34 CFR §361.48(a)(1) clarify that pre-employment transition services must be made available statewide to all students with disabilities who are eligible or potentially eligible for VR services. During the monitoring process, RSA engaged in discussions with managers and VR counselors and reviewed information provided by MRC related to the provision of transition and pre-employment transition services including—

- MRC’s Instructional Memorandum 6.0. This memorandum does not include information on referral procedures for students with disabilities who have not applied for VR services for the provision of pre-employment transition services. All students with disabilities are included in outreach efforts, but the memorandum makes no distinction between referral for the full range of VR services requiring an application and referral for pre-employment transition services that does not; and
- MRC’s VR Transition Services Guide – Services for High School Students includes a listing and description of the five pre-employment transition services required activities and providers of each of those activities but does not include a description or definition of “potentially eligible” or refer to services for potentially eligible students.

During the on-site monitoring, MRC managers indicated that the agency was not providing pre-employment transition services to potentially eligible students with disabilities because it did not

know how to track provision of those services at the individual level. Thus, pre-employment transition services were being provided only through IPEs to applicants or those who had been determined eligible. Additionally, VR counselors indicated to RSA in interviews that they would not know how to serve an individual that had not applied for VR services.

Agencies are required to identify all pre-employment transition service required activities provided to a student with a disability, the total amount expended for each purchased required activity, who provided the service, and the dates of the service, in accordance with the instruction manual for the RSA-911 in Policy Directive (PD) 16-04 and 2 CFR §200.302. At the time of the on-site visit, MRC reported that due to the limitations in its case management system, pre-employment transition services and expenditures can only be tracked for students who have applied and been determined eligible for services. As a result, MRC has not been providing pre-employment transition services to potentially eligible individuals, essentially requiring all students with disabilities to apply for VR services prior to receiving pre-employment transition services.

Conclusion: Based on this analysis, RSA concluded that MRC is not providing or arranging for the provision of pre-employment transition services statewide to potentially eligible students with disabilities because it has elected to provide these services only to applicants and individuals determined eligible for VR services. Therefore, MRC is not in compliance with 34 CFR §361.48(a).

Corrective Action Steps: RSA requires that MRC:

- 3.1.1 Immediately make pre-employment transition services available statewide to all students with disabilities regardless of whether they have applied or been determined eligible for VR services;
- 3.1.2 Develop and implement systems, including documentation and data collection, to support and track the provision of pre-employment transition services, including work-based learning experiences, for potentially eligible students to the individual student level;
- 3.1.3 Revise policies and procedures to make clear that pre-employment transition services may be provided to potentially eligible students with disabilities who have not applied for VR services; and
- 3.1.4 Provide a cycle of staff training opportunities to support these changes in policy and procedure so that staff understand how to serve a potentially eligible student with a disability who has not applied for VR services.

3.2 Provision of Pre-Employment Transition Services Not Compliant with State IDEA Minimum Age Requirements

Issue: Is MRC complying with the State's earliest age requirements for provision of transition services under IDEA in its provision of pre-employment transition services to students with disabilities.

Requirement: Section 113(a) of the Rehabilitation Act and 34 CFR §361.48(a) require the designated State unit, in collaboration with local educational agencies, to provide or arrange for the provision of pre-employment transition services for all students with disabilities in need of

such services who are eligible or potentially eligible for VR services. The definition of “student with a disability” in section 7(37) of the Rehabilitation Act and in 34 CFR §361.5(c)(51) means, in part, an individual with a disability in a secondary, postsecondary or other recognized education program who—

- Is not younger than the earliest age for provision of transition services under section 614(d)(1)(A)(i)(VIII) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(1)(A)(i)(VIII)); or
- If the State involved elects to use a lower minimum age for receipt of pre-employment transition services under this Act is not younger than that minimum age.

Massachusetts Session Laws, Chapter 285 of the Acts of 2008, enacted August 6, 2008, amended Section 2 of c.71B (the Massachusetts special education statute) by adding the following paragraph:

“Beginning age 14 or sooner if determined appropriate by an individualized education program team, school age children with disabilities shall be entitled to transition services and measurable postsecondary goals, as provided under the Federal Individuals with Disabilities Education Act, 20 USC sec. 1400, et sec.”

Analysis: By joint agreement, MRC and Massachusetts Commission for the Blind (MCB) use age 16 as the minimum age for the provision of pre-employment transition services although the Massachusetts IDEA age for the start of transition is age 14.

During the monitoring process, RSA reviewed the definitions used for transition age in the Massachusetts State law, and in the Department of Elementary and Secondary Education special education’s Technical Assistance Advisory SPED 2009-1: Transition Planning to Begin at Age 14. Per Massachusetts State law outlined in the requirements section and the technical advisory circular noted, the IDEA age for the required start of transition services under IDEA is age 14 and continues until age 22.

MRC’s VR services portion of the Combined State Plan (State Plan) mentions the age of 16 as the age to begin providing pre-employment transition services to students with disabilities and makes no reference to age 14. MCB, on the other hand, referred to serving individuals at the minimum age of 14 in its VR services portion of the 2016 State Plan, for the provision of both transition and pre-employment transition services. However, both MCB and MRC indicated during the monitoring process that a jointly agreed-upon age of 16 is used for the start of pre-employment transition services. MCB is providing transition services beginning at age 14, and many of those services would meet the definition of required or authorized services or coordinating activities under the pre-employment transition authority, if the age of 14 were used. Consequently, MCB has been providing services that would qualify as pre-employment transition services but, because of the joint agreement with MRC, has not been charging those expenditures to the reserve.

The use of a mutually agreed upon age for the start of transition services that is higher than the IDEA age for the start of transition in the State is not allowed. The definition of “Student with a disability” in 34 CFR §361.5(c)(51)(i)(A)(2) allows a State, meaning the combined VR agency, or both the blind and general VR agencies in States where separate VR agencies are found, to adopt a transition age that is lower than the IDEA minimum age for a State. State VR agencies may not singly or jointly adopt an age to begin pre-employment transition services for students with disabilities that is higher than the State’s minimum IDEA age for transition. The VR agencies in a State could mutually agree to adopt a lower age; however, they cannot adopt an age higher than the State’s minimum IDEA age for transition.

Conclusion: The Commonwealth of Massachusetts has elected to use the lower age of 14 for the start of transition services under IDEA. Since there is no provision in the regulations for a State to adopt an age for VR pre-employment transition services that is higher than that State’s IDEA minimum age for transition, the MCB and MRC cannot adopt a higher minimum age for the start of pre-employment transition services. Both agencies must mutually agree upon and adopt a minimum age for the start of pre-employment transition services that is not greater than the age of 14.

Corrective Action Steps: RSA requires MRC and MCB to:

- 3.2.1 Jointly adopt a minimum age for the provision of pre-employment transition services to students with disabilities that is not greater than Massachusetts’ IDEA age for transition, which is currently age 14; and
- 3.2.2 Develop, implement, and provide instruction to staff on new policies to reflect the new agreed upon age.

F. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to MRC as described below.

Transition Policies

At the time of the on-site visit, MRC had transition policies in place that had not been updated to reflect requirements of the WIOA amendments to the Rehabilitation Act, including procedures for the provision of pre-employment transition services. RSA discussed the need to update these policies and various provisions to be included. The agency had issued an instructional memo and a transition handbook for staff to provide guidance on the provision of these services. RSA reviewed and provided technical assistance in the areas below.

- During the on-site portion of the review, RSA reviewed transition policies in the policy manual posted to MRC’s intranet. Policies had not been updated to include the new opportunity to use a projected vocational goal for students and youth with disabilities provided under 34 CFR §361.46(a)(2)(ii). This provision allows the development of an IPE for career exploration of the projected vocational goal, keeping in mind that an IPE may be amended at any time to reflect new goals or services.

- Instructional Memorandum 6.0 – Serving Students with Disabilities. RSA provided technical assistance related to omissions and possible additions to this document related to the outreach to and provision of pre-employment transition services for potentially eligible students with disabilities, the use of a projected vocational goal in the IPE development, the definition of “youth with a disability” when describing group transition services, and inclusion of information on authorized activities or pre-employment transition coordination activities.

SEA Agreement Requirements

MRC has outlined its responsibilities for coordination and provision of transition and pre-employment transition services in its MOU with the Massachusetts Department of Elementary and Secondary Education (DESE). This MOU was signed by both agencies in November of 2015.

The agreement addresses all but one of the requirements for such agreements at 34 CFR §361.22(b). The agreement captures roles and responsibilities for outreach, referral for services, transition planning, and technical assistance to educators. In addition, the agreement addresses new requirements of an assurance that the SEA and LEAs will not contract with an entity for the purpose of providing a program paying subminimum wage and includes a statement that the two agencies will coordinate to fulfill documentation requirements of section 511 of the Rehabilitation Act, as amended.

However, the MOU does not adequately describe the financial roles and responsibilities of each party to the agreement. These roles are described as each party fulfilling its mandatory obligations for providing services under authorizing legislation for their programs. The agreement does not discuss how IEP teams should negotiate provision of a service that either the school or the VR agency could provide.

RSA provided references to the regulation that addresses the requirements (34 CFR 361.22(b)(3)) and the preamble section providing guidance on financial roles and responsibilities (81 FR 55629, 55686-55687 August 19, 2016) and suggested the parties review the WINTAC SEA agreement tool kit (www.WINTAC.org) for assistance in revising their MOU to meet Federal requirements.

Planning for Delivery of Pre-Employment Transition Services and Transition Services for Students and Youth with Disabilities

MRC conducts a CSNA annually, using surveys of VR counselors, employers and service providers; focus groups; input from an annual consumer meeting that school personnel also attend; and others. Specific to transition and pre-employment transition services, the CSNA included a survey of individuals on the MRC caseload age 16-22, data from the SEA on the number of students with disabilities in each school district, a survey of summer internship participants, and a transition and pre-employment transition services survey of MRC counselors.

In summary, the information gathered demonstrated a strong need for pre-employment transition services for students with disabilities and transition services for students and youth with disabilities in Massachusetts. VR consumers age 16-22 and MRC counselors indicated that local

educational agencies (LEAs) are providing some form of pre-employment transition services and that the required activities provided varied widely among school districts.

RSA recommended that the CSNA add input on vocational rehabilitation needs of students and youth with disabilities from key informants such as staff from one-stops, mental health and developmental disabilities agencies, education personnel working with special education students and other students with disabilities, juvenile justice program staff and others that would provide a perspective on students and youth who may not be connected to MRC programs and services at this time.

State Plan Goals

RSA suggested that MRC re-evaluate the performance measure listed in its portion of the Massachusetts Combined State plan for goal 9, “maximize the number and percentage of youth consumers served by MRC completing education and training programs, including postsecondary education.” The performance measure identified for this goal is stated as measuring the flow of youth from training and education programs into job readiness or job placement status. However, as stated, this measure does not require the completion of an education program and obtaining a credential. An individual may choose to leave education prior to completing an education or training program and earning a recognized credential to seek and to obtain employment. RSA recommended restructuring this measure to accurately measure progress on the State goal.

SECTION 4: FOCUS AREA – STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM

A. Nature and Scope

Through this focus area, RSA assessed the Supported Employment program, authorized under title VI of the Act, as amended by WIOA, and regulations in 34 CFR part 363. The Supported Employment program provides grants to assist States in developing and implementing collaborative programs with appropriate entities to provide programs of supported employment services for individuals with the most significant disabilities, including youth with the most significant disabilities, to enable them to achieve a supported employment outcome in competitive integrated employment. Grants made under the Supported Employment program supplement grants issued to States under the VR program.

WIOA made several significant changes to title VI of the Act that governs the Supported Employment program. The amendments to title VI are consistent with those made throughout the Act to maximize the potential of individuals with disabilities, especially those individuals with the most significant disabilities, to achieve competitive integrated employment and to expand services for youth with the most significant disabilities.

The changes to the Supported Employment program made in the Act, as amended by WIOA, covered in this focus area included:

- The extension of the time frame for the provision of supported employment services from 18 to 24 months (section 7(39)(C) of the Act, 34 CFR §361.5(c)(54)(iii), and 34 CFR §363.50(b)(1));
- The requirement that supported employment must be in competitive integrated employment or, if not in competitive integrated employment, in an integrated setting in which the individual is working toward competitive integrated employment on a short-term basis (section 7(38) of the Act, and 34 CFR §363.1);
- The requirement that supported employment funds and/or VR program funds be available for providing extended services to youth with the most significant disabilities for a period of time not to exceed four years, or until such time that a youth reaches the age of 25 and no longer meets the definition of “youth with a disability,” whichever occurs first (section 604(b) of the Act and 34 CFR §363.4(a)(2)); and
- The reduction of the amount of funds that may be spent on administrative costs (section 606(b)(7)(H) of the Act and 34 CFR §363.51).

To facilitate the provision of monitoring and technical assistance activities, and in preparation for the on-site visit, RSA and MRC reviewed applicable documentation and resources related to the Supported Employment program, including, but not limited to:

- VR agency policies and procedures related to the provision of supported employment and extended services;

- Cooperative agreements State agencies, private nonprofit organizations that fund extended services;
- Cooperative agreements with supported employment vendors and associated community rehabilitation programs (CRPs);
- Supported employment assurances 5, 6, and 7 and descriptions e, j.1.A, k.2.B, l.2, n, o, p, and q and any additional information from the VR services portion of the most recently approved Unified or Combined State Plan; and
- Performance data related to the number and percentage of individuals with the most significant disabilities receiving supported employment services and achieving supported employment outcomes.

In gathering information related to this focus area, the review team consulted:

- The VR agency director and other senior managers;
- VR agency counselors;
- VR agency supported employment coordinators and staff;
- Supported employment vendors and associated CRPs.

B. Overview

Service Delivery Structure and Performance of the Supported Employment Program

MRC has a centralized service delivery process, where designated VR counselors carry a specialized caseload specific to individuals who are determined to need ongoing supported employment services following placement in employment. This service delivery structure includes a separate supported employment program unit within the VR agency. At the time of the on-site review MRC reportedly had eight supported employment VR counselors and eight supported employment specialists with caseload sizes averaging 45 cases. As appropriate, VR counselors with general caseloads refer individuals to VR counselors with supported employment caseloads. Local schools also refer individuals in secondary education programs to the supported employment unit, in accordance with Massachusetts Chapter 688 legislation, identifying them as needing adult services and supports upon transitioning from the school system.

According to VR counselors in the supported employment unit, supported employment services are provided statewide directly by these specialized VR counselors for intake, assessment, job development and placement services. In some cases, an individual may be referred to an outside vendor for job development, placement and follow along services on a fee-for-service basis until transfer to an extended service provider following job stability. MRC uses a financial needs test for individuals in need of services from the Supported Employment program for a portion of the available VR and supported employment services.

The number of individuals with most significant disabilities who achieved supported employment outcomes increased from 166 individuals (4.4 percent) in FFY 2014, to 186 individuals (4.9 percent) in FFY 2015 and significantly increased in FFY2016 to 250 individuals (6.4 percent). Similarly, the number of individuals under the age of 25 achieving supported

employment outcomes increased from 45 individuals (4.27 percent) in FY 2014 to 62 individuals (5.74 percent) in FFY 2015, and 64 individuals (5.48 percent) in FFY 2016. MRC attributed this result to its focus and commitment to serving all individuals with most significant disabilities to assist them in achieving competitive integrated employment.

Conversely, MRC's data showed a consistent decrease in the number and percentages of individuals, including individuals under the age of 25, receiving on-the-job supports across the three-year period. MRC reported that this was either due to a reporting error or due to increased collaboration with other State agencies such as the Department of Developmental Disability Services (DDS) or the Department of Mental Health Services (DMH) agencies to provide some of these follow along services. In addition, MRC counseling staff suggested that individuals who exceed the financial needs test may not be afforded some of the supported employment services that are not exempt from a financial needs test in accordance with 34 CFR §361.54(b)(3). Furthermore, services provided directly by MRC staff may not be reported on the IPE since they are not a purchased service or they may not be coded accurately.

MRC did not meet the 90-day time frame for the development of IPEs for all three FFY years for all individuals who achieved a supported employment outcome or for individuals with disabilities under the age of 25 at exit who achieved a supported employment outcome. MRC provided more recent data for the period September 2016 through June 2017, regarding the timely development of the IPE for individuals with the most significant disabilities seeking supported employment outcomes, which showed significant improvement. The data indicated that 94.0 percent of IPEs for all individuals were completed within the 90 day timeframe, with an additional 2 percent completing within a 30 day extension per MRC policy. Of the IPEs for individuals under the age of 25 at exit, 92.2 percent were completed within 90 days and an additional 2.2 percent were completed with a 30 day extension.

Extended Time Frame for Provision of Supported Employment Services

Interviewed MRC VR counselors managing supported employment services caseloads informed RSA that supported employment services to an individual cannot exceed 24 months prior to transitioning to an extended service provider, unless under special circumstances the individual and the VR counselor agree to an extension. However, MRC's policies on the agencies intranet site indicated that the regulatory requirement in place allowed for no more than 18 months. MRC program staff did provide RSA with updated final guidelines, dated July 12, 2017, containing the correct provision for the receipt of supported employment services not to exceed 24 months.

Competitive Integrated Employment and Short-Term Basis

MRC program staff and VR supported employment program services counselors indicated that they are not using the provision of the short-term basis, finding the use of the extended time frame for the provision of supported employment services adequate to meet the goal of competitive integrated employment.

Extended Services for Youth with the Most Significant Disabilities

MRC program staff and VR supported employment counselors indicated that the agency is not

directly providing or contracting for the provision of extended services to youth with the most significant disabilities. MRC staff indicated that they have ongoing communications with their DDS and DMH partners but have challenges in these entities fulfilling their commitment to fund the extended services for their mutual clients once the individuals are ready to transition to the extended services provider. MRC agency guidelines do provide information on the meaning of extended services and the provision of extended services for youth with the most significant disabilities in the definition section of the guidelines.

Requirements for an Employment Outcome in Supported Employment

MRC VR supported employment program counselors confirmed their understanding of when an individual has achieved an employment outcome and these requirements are outlined in MRC's program guidelines. MRC's supported employment outcomes reported on the RSA 911 were significantly lower than the national performance for all general agencies in FY 2016. Specifically, supported employment outcomes were 6.4 percent of all MRC outcomes, compared to the national performance for general agencies of 13.0 percent. However, over the three year period, MRC's supported employment outcomes increased from 166 (4.4 percent) to 250 (6.4 percent).

Closure of the Supported Employment Service Record

MRC's program guidelines include instructions on how and when to close a service record for an individual identified as achieving an employment outcome in supported employment and VR counselors interviewed during the on-site portion of the review demonstrated that their knowledge and practice in closing such a service record is consistent with MRC written guidelines.

C. Analysis of Performance and Observations

RSA's review and analysis of the performance of MRC in this focus area resulted in the following observation.

4.1 Coding and Reporting of Services Provided

MRC may not be capturing, coding and reporting all VR and supported employment services provided to individuals with the most significant disabilities in receipt of services who achieve a supported employment outcome.

Of the 166 individuals reported to have achieved a supported employment outcome in FFY 2014, 138 received job placement services and 94 of those individuals received on-the-job-supports coded as supported employment job supports. Data for FFY 2015 and FFY 2016 reflect similar patterns. This same trend is reflected in Table 5.2b. MRC indicated that staff may be reporting only purchased services and/or may not be reporting services provided directly as natural supports or as comparable services or benefits.

D. Recommendations

RSA's review of the performance of the VR program in this focus area resulted in the following recommendation. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below recommendations.

RSA recommends that MRC:

4.1 Coding and Reporting of Services Provided

- 4.1.1 Provide staff training to achieve accurate recording of services provided, including that the IPE contain all VR and supported employment services needed and provided, whether purchased, provided by agency staff, or as comparable benefits and services, to achieve the supported employment outcome goal; and
- 4.1.2 Monitor IPE content, case recording and statistical reporting to ensure that accurate data regarding services provided reflect all VR and supported employment services provided.

E. Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area did not result in the identification of findings and corrective actions to improve performance.

F. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to MRC as described below.

Supported Employment Services Policies and Guidelines for both All Individuals and Youth with the Most Significant Disabilities

MRC does not have policies and procedures for the provision of supported employment services that clearly identify and separate policies for individuals who are youth with the most significant disabilities from those for all individuals with the most significant disabilities. MRC provided guidelines on Supported Employment Services for Youth with Disabilities. These guidelines are titled for the purpose and provision of supported employment services for youth with the most significant disabilities, but also include instruction and definition within the body of the document for all individuals not meeting the definition of a youth. RSA provided the following technical assistance to MRC related to updating supported employment policies and guidance.

- RSA reviewed sections of MRC's policy manual posted to MRC's intranet. RSA pointed out that policies had not been updated to include the changes to the Supported Employment program made in the Act, as amended by WIOA, specifically the policies still reflected the 18 month time frame for the provision of supported employment services from prior regulations rather than 24 months under 34 CFR §361.5(c)(54)(iii). No language was included on the use of supported employment funds and/or VR program funds for providing extended services to youth with the most significant

disabilities for a period of time not to exceed four years, or until the youth reaches the age of 25, in accordance with section 604(b) of the Act and 34 CFR §363.4((a)(2)).

- Section V.1 – Guidelines on Supported Employment Services for Youth with Disabilities approved on July 12, 2017, contains a section entitled MRC Guidelines on Supported Employment Services for Adults and Youth with Disabilities. While this document provides for section(s) on definitions, purpose and scope of services, ending with significant program changes and funding changes, and although providing accurate information, it is not clear based on the title and format or flow of the information if these identified supported employment program services are meant for adults only or youth only or both. RSA suggested clarifying this information.

RSA reviewed with MRC the regulatory requirements for review to assist the agency in revising as necessary existing supported employment services policies and guidelines in accordance with 34 CFR §§ 361.5(c)(19), 361.5(c)(37), 361.5(c)(53), 361.5(c)(54) and 34 CFR part 363. In addition, RSA reviewed VR services not subject to financial participation by applicants and eligible individuals seeking supported employment services.

MOU and MOA Agreements

During the on-site, RSA discussed with MRC the need to update and review its agreements with the Department of Developmental Disabilities services agency and Department of Mental Health services agency. Specifically section 101(a)(11) of the Act and the implementing regulations at 34 CFR §361.24(f) require a formal cooperative agreement with the State agency with primary responsibility for providing services and supports for individuals with intellectual disabilities and individuals with developmental disabilities with respect to the delivery of VR services, including extended services, for individuals with the most significant disabilities who have been determined to be eligible for home and community-based services under a Medicaid waiver...or other authority related to a State Medicaid program. In addition RSA discussed that agreements should include as description and outline of how the DDS and DMH have come to certain interagency cooperation with respect to VR services, and should be outlined within the VR services portion of the State Plan as required by 34 CFR §361.24(g).

Planning for the provision of Extended Services for Youth with the Most Significant Disabilities

While on-site, RSA provided technical assistance related to the significant changes to the Supported Employment program, specifically regarding the provision of services to youth with the most significant disabilities and the ability for VR agencies to expend Supported Employment or VR program funds for extended services for such youth. RSA provided information in sections 7(13) and 604(b)(2) of the Rehabilitation Act and the implementing regulations in 34 CFR §361.5(c)(19) and 34 CFR §363.53(b)(2)(ii); and discussed the need for continued coordination with other entities and/or State agencies for identifying alternate funding resources for extended services. MRC management and program staff indicated they have not yet begun providing or coordinating extended services to individuals who are youth with the most significant disabilities, who may not have other available funding sources for those services. RSA reminded MRC of the State Plan requirements, specifically 34 CFR §363.11(f), which

requires each State plan supplement submitted in accordance with 34 CFR§ 363.10 to describe the activities to be conducted for youth with the most significant disabilities including the provision of extended services to youth with the most significant disabilities for a period not to exceed four years.

SECTION 5: FOCUS AREA – ALLOCATION AND EXPENDITURE OF STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAM FUNDS

A. Nature and Scope

Through this focus area RSA assessed the fiscal accountability of the VR and Supported Employment programs to ensure funds are being used only for intended purposes; programs have sound internal controls and reliable reporting systems; MRC is maximizing resources available for program needs; and funds support the achievement of employment outcomes for individuals with disabilities, including youth with disabilities and individuals with the most significant disabilities. RSA reviewed MRC adherence to Federal fiscal accountability requirements, which include both general administrative and program-specific requirements.

General administrative requirements refer to:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) located in 2 CFR part 200. These regulations establish the foundation of Federal cost principles and standards for determining costs for Federal awards while reducing the administrative burden on award recipients and guarding against the risk of waste and misuse of Federal funds;
- Education Department General Administrative Regulations (EDGAR) in 34 CFR part 76. These regulations are applicable to Department of Education (Department) grantees and establish uniform administrative rules for the Department's Federal grants to State administered programs; and
- Departmental and RSA guidance, including Policy Directives (PDs), Technical Assistance Circulars (TACs), Grant Bulletins, Frequently Asked Questions (FAQ), etc.

Program-specific requirements refer to the Act and VR and Supported Employment program implementing regulations in 34 CFR part 361 and 34 CFR part 363, respectively. These requirements establish the specific provisions related to the administration and operation of the VR and Supported Employment programs.

In addition to the fiscal accountability requirements covered in this focus area, RSA reviewed fiscal requirements pertaining to the VR program funds reserved for the provision of pre-employment transition services (i.e., the prohibition against the use of these funds for administrative costs) and Supported Employment program funds (i.e., the limit on the use of these funds for administrative costs to 2.5 percent of the award to youth with the most significant disabilities). The nature and scope of this focus area did not include a review of the extent to which States have satisfied the requirements to reserve at least 15 percent of the Federal VR program award for expenditures on pre-employment transition services, to reserve 50 percent of Supported Employment program funds for services to youth with the most significant disabilities, and to provide a 10 percent match for this amount, or to track expenditures toward these reserves. Instead, in FFY 2017, RSA provided technical assistance to, and reviewed the

progress of, each State toward satisfying these requirements through other processes established by the State Monitoring and Program Improvement Division's (SMPID) Fiscal unit.

RSA used a variety of resources and documents from the period covering FFY 2014 through FFY 2016. If the issues identified included Federal fiscal years prior to 2014, RSA requested additional information within the statute of limitations. Resources and documentation included data maintained on RSA's Management Information System (MIS) generated from reports submitted by MRC (e.g., Federal Financial Reports (SF-425), Annual VR Program/Cost Report (RSA-2), and the VR services portion of the program year 2016 Unified or Combined State Plan). These data were organized into a fiscal profile for each State and shared with the VR agency and served as a reference for discussions regarding the areas covered within this focus area.

The review team reviewed the following documents, as needed, to ensure adherence to accountability requirements (list is not exhaustive):

- A-133 audit findings and corrective actions;
- State/agency allocation/budget documents and annual fiscal reports;
- Agency policies, procedures, and forms (e.g., monitoring, personnel cost allocation, procurement, etc.);
- Documentation of obligations and expenditures, including contracts, purchase orders, invoices, etc.; and
- Grant award notifications, documentation of non-Federal share/match (e.g., interagency transfers, third-party cooperative arrangements (TPCAs), establishment projects, private donations), maintenance of effort (MOE), and program income documentation.

Prior to conducting the review, RSA provided MRC with a documentation request that included a list of the documentation that the agency needed to provide prior to the start of the review in a manner that enabled RSA to analyze the documents prior to the on-site visit. The review team requested additional supporting fiscal documents or clarifying information regarding contract monitoring, and documented internal control procedures.

The degree to which the review team addressed each accountability requirement was dependent upon the individual circumstances of the agency. The review team analyzed the information obtained prior to the on-site visit by reviewing the documentation requested, conducting teleconferences, and examining RSA-MIS data to determine the level of review required for each component.

B. Overview and Analysis

Non-Federal entities are required to have an internal controls process designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations; the reliability of reporting for internal and external use; and compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This includes the methods and procedures used to manage the day-to-day operations of grant-supporting activities to assure compliance with applicable Federal requirements. As mentioned in more

detail in Section 5-C of this report, MRC maintains an internal control plan yearly that is a high-level agency wide plan referencing procedures and controls that exist for programmatic and financial operations. MRC also maintains internal control guides and agency policies and procedures related to the day-to-day operations of the agency.

MRC's Federal and non-Federal obligations and expenditures are entered into the Massachusetts Management Accounting and Reporting System (MMARS) where MRC maintains obligations, unobligated balances, liquidations, and unliquidated obligations. Fiscal staff in MRC are responsible for ensuring obligations are assigned to the appropriate FFY award as well as appropriate cost objective. The Commonwealth of Massachusetts Comptroller's Office maintains policies and procedures related to assigning and tracking obligations within the State fiscal year (SFY). MRC maintains internal policies and procedures related to tracking and accounting for obligations and expenditures in MMARS, including processing the different types of obligations, monitoring contractual expenditures, and processing payments and refunds. Additionally, the information reported in the required Federal financial report (SF-425) is obtained and compiled from MMARS. Invoices are processed and approved by MRC fiscal staff. The internal controls for the procedures related to reporting expenditures include a review of the report by the MRC CFO.

At the time of the on-site visit, MRC did not have finalized written policies or procedures for prior approval. Such policies and procedures should include the process used to determine if a particular expenditure may require prior approval, the responsible party who determines if prior approval is necessary, and the necessary information to be compiled and submitted in order to ensure appropriate internal controls.

MRC does not use TPCAs to provide services to VR clients. As such, the agency has no policies or procedures regarding these arrangements.

MRC has not used the establishment authority, and currently has no plans to do so. As such, the agency has no policies or procedures regarding establishing, renovating or constructing a public or nonprofit CRP.

Program Expenditures and Federal Awards Data

According to the data reported in Table 6.1, MRC fully matched its Federal formula award during FFYs 2014 through 2016; however, MRC did have a MOE penalty assessed each year as the Commonwealth of Massachusetts did not meet the non-Federal share requirements related to MOE in 34 CFR §361.62(a). The MOE has decreased every year from \$1,906,320 in FFY 2014 to \$54,005 in FFY 2016. Additionally, MRC requested and received reallocation funds in each FFY, ranging from a high of \$8,500,000 in FFY 2015 to a low of \$5,500,000 in FFY 2014, increasing its net Federal resources significantly in each FFY. MRC only deobligated Federal funds in the amount of \$266,014 at the end of the FFY 2014 grant awards, thereby spending all available Federal funds allotted and received in reallocation during the remaining FFYs.

Match and Maintenance of Effort

The data reported in Table 6.2 indicate that, for all FFYs covered in this monitoring review, 100 percent of MRC's non-Federal share used for match was appropriated to the agency by the Commonwealth of Massachusetts. Due to the fact that a large portion of the agency's non-Federal share is from fringe and indirect expenditures for personnel staff, the amount of non-Federal funds has the potential to vary greatly from year to year. Additionally, in FFYs 2015 and 2016, even though MRC met the MOE level, the Commonwealth did not meet the requirement between MRC and MCB; therefore, the Commonwealth did not meet the MOE levels for both FFYs and was assessed a MOE penalty.

Federal Program Income and Carryover Data

Table 6.3 illustrates MRC's primary source of program income is through Social Security Administration (SSA) cost reimbursements. Program income has fluctuated over the FFYs, with a significantly larger amount received in FFY 2016 of \$6,952,029. Program income has primarily been used in the VR program; however, in FFY 2014, \$159,390 was transferred to the Independent Living Part B (IL Part B) Program.

MRC's carryover funds decreased each FFY from 76.6 percent in FFY 2014 to 32.22 percent in FFY 2016. However, as indicated in Finding 5.2 in Section C below, the agency was not tracking the liquidation of all Federal expenditures appropriately to ensure payment from the FFY grant award to which the funds were obligated. Therefore the carryover of Federal funds is not a complete reflection of Federal funds that were available based upon the reported expenditures and obligations.

Agency Expenditure Data

MRC reported a relatively consistent percentage of administrative expenditures during FFYs 2014 through 2016 (Table 6.4), averaging above 30 percent of expenditures in all FFYs. Purchased services increased slightly over the timespan, representing almost 36 percent of total FFY 2014 expenditures and 39.5 percent of total FFY 2016 expenditures. The agency did not report expenditures for services to groups in FFYs 2014 through 2016.

C. Findings and Corrective Actions to Improve Performance

RSA's review of the performance of the VR program in this focus area resulted in the identification of the following findings and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

5.1 Internal Control Deficiencies

Issue: Does MRC maintain effective internal control over the Federal award to provide reasonable assurance that MRC is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. This area of review is included on pages 52 and 53 of the MTAG.

Requirement: A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. These methods of administration (i.e., the agency's internal controls) must include procedures to ensure accurate data collection and financial accountability (34 CFR §361.12). Additionally, 2 CFR §200.302(b)(7) requires the non-Federal entity to have written procedures for determining allowability of costs in accordance with Subpart E - Cost Principles of this part and the terms and conditions of the Federal award.

“Internal controls” means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of reporting for internal and external use; and
- Compliance with applicable laws and regulations (2 CFR §200.61).

Additionally, 2 CFR §200.303, among other things, requires a non-Federal entity to—

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- Evaluate and monitor the non-Federal entity's compliance with statutes, regulations, and the terms and conditions of Federal awards; and
- Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

In accordance with the Uniform Guidance (2 CFR §200.302(a)), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the—

Preparation of reports required by general and program specific terms and conditions; and

- Tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of Federal awards.

In its guidance “The Role of Internal Control, Documenting Internal Control, and Determining Allowability & Use of Funds,” the U.S. Department of Education (Department) made clear to grantees that internal controls represent those processes by which an organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting. Therefore, an internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or correct processes that might lead to non-compliance with Federal and State requirements.

Analysis: RSA found several areas of concern that fall within the area of internal controls. These concerns are identified below.

Missing/Inaccurate Internal Control Policies

During on-site discussions with MRC management and review of the agency’s policy manuals and internal control documentation, RSA found that the agency has not maintained numerous policies and procedures to ensure consistency with applicable Federal requirements. MRC is required per MA Internal Control Legislation - Chapter 647 of the Acts of 1989 to maintain an internal control plan. The agency is required to annually evaluate the effectiveness of its internal control system and establish and implement changes necessary to ensure the continued integrity of the system, including clearly documenting the objectives of each standard. MRC maintains an Internal Control Plan yearly that is a high-level agency wide plan that references procedures and controls that exist for programmatic and financial operations. The agency maintains operational procedures that address the risks and controls, also referred to as MRC Internal Control Guides.

RSA found that many of these Internal Control Guides either did not exist or were not updated to reflect changes in Federal requirements. Many Internal Control Guides reflected outdated Federal requirements no longer applicable, did not address required processes as a result of changes in Federal requirements, or referenced individuals no longer employed by MRC. During on-site discussions, for some of the processes that should have been addressed in the guides, MRC was able to detail verbal processes, but such processes were not written down and therefore did not ensure adequate safeguards and internal controls over Federal funds. For example, one MRC Internal Control Guide detailed match requirements in each Federal program; however, the document had not been updated to reflect the new requirements in WIOA and listed programs no longer administered by the Department of Education. The absence of WIOA requirements means that the agency’s internal control processes would not identify or correct noncompliance with the requirements.

Contract Monitoring

- A. During the on-site discussions with MRC management and review of the agency's guidelines and procedures for contract monitoring, MRC provided RSA supporting documentation for the process used to monitor contracts with community rehabilitation providers (CRPs). However, there were no written processes for periodic monitoring of other vendors or providers. MRC described the monitoring process for other vendors; however, these processes were not written down. By not establishing internal control processes for monitoring all contractors and vendors periodically to ensure program accountability, MRC has not satisfied the requirements of 2 CFR §200.328.
- B. MRC demonstrated insufficient internal controls with respect to its lease agreements. A review of supporting documentation in the FFYs 2015 and 2016 SF-425s showed line item expenditures defined as capital expenditures as a part of the agency's lease agreements. A review of MRC's lease agreements showed that the agency was paying for renovations of leased space with Federal VR funds when the lease specified these costs were to be paid for by the lessee. MRC did not have sufficient monitoring processes in place to ensure compliance with its own contractual agreements. The unnecessary costs paid through the lease agreements represent questioned costs.
- C. MRC demonstrated insufficient internal controls with respect to its pre-employment transition services expenditures because the agency incorrectly paid for expenditures with Federal funds required to be reserved and expended for pre-employment transition services that were not allowable pre-employment transition services expenditures (34 CFR §361.65(a)(3)). A review of the supporting documentation for the FFY 2015 SF-425 report showed that the agency included expenditures such as van modifications, transportation, and administrative expenditures as expenditures paid for with funds required to be reserved and expended for the provision of pre-employment transition services. It is essential for internal controls purposes that reported Federal fund expenditures accurately reflect allowable costs under the Federal award. Only in so doing can MRC assure it is administering the VR program properly and efficiently and ensuring fiscal accountability for VR funds, as required by 34 CFR §361.12.

Inadequate Financial Reporting Internal Controls

RSA reviewed agency internal control guides regarding Federal financial reporting and the supporting documentation of expenditures reported. For the SF-425, the agency had updated guides regarding reporting requirements, but the guides included outdated or incorrect information. As mentioned previously, the Internal Control Guide for reporting expenditures in the Supported Employment program included line items required in the VR program and not the Supported Employment program, resulting in inaccurate Federal reporting. Additionally, the policy for reporting VR expenditures on the SF-425 included incomplete requirements that resulted in inaccurate Federal reporting.

Non-Federal Share –A review of the FFY 2016 SF-425 reports showed MRC reported an increase in the Recipient Share of Expenditures on line 10j after the fourth quarter (September 30, 2016). Section 19(b) of the Rehabilitation Act specifies that the non-Federal share is required

for the fiscal year in which the funds are appropriated. Non-Federal expenditures used to meet match requirements must be obligated within the year of appropriation. In FFY 2016, the year of appropriation ended on September 30, 2016. Any non-Federal expenditures obligated after September 30, 2016, are considered match on the subsequent Federal award. While MRC has an Internal Control Guide for Match and Maintenance of Effort, the document does not include updates since the implementation of WIOA, references outdated citations, references individuals no longer employed by MRC, includes programs no longer administered by the Department of Education, and does not reference the requirements to match the Federal funds by the end of the year of appropriation. Additionally, the written processes do not account for non-Federal expenditures used for match purposes from staff fringe or indirect expenditures. As a result, non-Federal sources of match including fringe for staff working on programs other than VR were counted as match for the VR program. Additional information regarding this issue is included in Finding 5.3.

Program income – The FFYs 2015 and 2016 fourth quarter SF-425 reports showed unexpended program income (line 10o) at the end of each quarter. A review of drawdown reports in G5 and MRC expenditures shows that MRC was not drawing down program income before requesting additional Federal expenditures, as is required in 34 CFR §361.63(c)(ii). MRC did not have policies or guidance that specified requirements related to expending and reporting program income.

Indirect Expenditures – RSA reviewed MRCs FFYs 2015 and 2016 SF-425 reports and supporting documentation of expenditures. The reports and supporting documentation showed that MRC had not reported indirect expenditures in line 11 for either of the FFYs reviewed. Instead, MRC included in the comments section of the report that due to the fact that the State paid for indirect expenditures with non-Federal funds used to meet the match requirement, no Federal expenditures are reported as indirect. Instead of reporting the type of rate, the period covered, the base of the rate, and \$0 for Federal share on line 11f, as required in PD-15-05, MRC left the entire section blank.

Missing Internal Controls for Allocation of Funds

The agency did not have written processes related to the review of obligations and expenditures to ensure only allowable costs are charged to each cost objective. The agency's lack of internal controls resulted in unallowable expenditures charged to the Federal awards. The Uniform Guidance in 2 CFR §200.405(a) requires that allowable Federal costs under the award must be allocable to a particular Federal award based upon the relative benefit received. Expenditures for items that benefit multiple cost objectives must be allocated to the separate objectives that they benefit, unless those costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved (2 CFR §200, Appendix VII), in which case they can be assigned as an indirect expenditure.

MRC provides services throughout the Commonwealth of Massachusetts through central and regional offices. These offices provide all of the services administered through MRC. During the on-site visit, RSA reviewed agency expenditures and supporting documentation for the SF-425 and found expenditures for various office items that were charged directly to the VR award.

Typically such costs, benefitting multiple programs, are charged as indirect expenditures. MRC was unaware these expenditures should be either charged indirectly or charged directly to each Federal award based upon the relative benefit received.

Conclusion: As described above, MRC does not maintain effective internal controls over the Federal award that provide reasonable assurances that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by 34 CFR §361.12 and 2 CFR §200.303. Specific internal control areas of deficiency include updated policies and procedures, contract monitoring, monitoring agency assignment of obligations and review of expenditures, reporting requirements, and overall accountability. RSA is particularly concerned about the number of issues identified as a result of the lack of internal controls.

Collectively, these material deficiencies suggest generalized, systemic deficiencies within the agency's control environment. During the on-site visit, RSA staff informed MRC management of deficiencies in the agency's practices. The corrective action steps listed below will support MRC in developing its ability to correct processes that have led to the non-compliance findings noted above.

Corrective Action Steps: RSA requires that MRC:

- 5.1.1 Update policies, procedures, and internal controls to reflect new Federal requirements, as required by 34 CFR §361.50 and 2 CFR §200.302(b)(7);
- 5.1.2 Develop and implement written internal controls governing oversight of grant-supported activities, particularly with respect to contract monitoring, as required by 2 CFR §200.328(a); and
- 5.1.3 Revise and resubmit the SF-425s for FFY 2016 to accurately report all Federal and non-Federal expenditures and obligations.

5.2 Incorrect Assignment of Obligations and Expenditures to the Federal Award

Issue: Does MRC assign obligations and expenditures to the correct Federal award in accordance with 34 CFR §361.12; 2 CFR §§200.77, 200.302, 200.303(a), 200.309; and 34 CFR §76.702. This area of review is included on pages 52 and 53 of the MTAG.

Requirements: As a recipient of Federal VR and Supported Employment program funds, MRC must have procedures that ensure the proper and efficient administration of its VR and Supported Employment programs and enable MRC to carry out all required functions, including financial reporting (34 CFR §361.12). In accordance with the Uniform Guidance in 2 CFR §200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. The Uniform Guidance in 2 CFR §200.302(b) requires the financial management system of each non-Federal entity to provide for the identification, in its accounts, of all Federal awards received

and expended and the Federal programs under which they were received. In addition, 34 CFR §76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, Federal funds.

Each grant award has a defined “period of performance,” which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 CFR §200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 CFR §200.309, see also 34 CFR §§76.703 and 76.709). Grantees must implement internal controls to ensure obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are managing the award in compliance with Federal requirements (2 CFR §200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is necessary for MRC to correctly account for VR funds so RSA can be assured that the agency has satisfied requirements for, among other things, match (34 CFR §361.60), maintenance of effort (MOE) (34 CFR §361.62), and the reservation and expenditure of VR funds for the provision of pre-employment transition services (34 CFR §361.65(a)(3)).

An obligation means “orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period” (2 CFR §200.71). For expenditures to be allowable under the Federal award, agencies must demonstrate that the obligation occurred within the period of performance of the Federal award. Regulations at 34 CFR §76.707 explain when a State incurs an obligation for various kinds of services and property. Therefore, in order to properly account for and liquidate expenditures, grantees must be able to assign an obligation to a Federal award based upon the date the obligation was made (34 CFR §§76.703 and 76.709). Grantees must assign all Federal and non-Federal obligations and expenditures, on a FFY basis, to the correct Federal award in accordance with the period of performance.

Analysis: RSA reviewed the agency’s policies and procedures regarding the assignment of Federal and non-Federal obligations and expenditures to the correct Federal award. RSA also reviewed supporting documentation of obligations and expenditures to ensure MRC was correctly assigning and reporting obligations and expenditures to the proper period of performance in accordance with Federal requirements. Through the review of agency policies and discussions with agency staff RSA found that, depending on the type of obligation or expenditure, MRC is not assigning obligations to a FFY award based upon the date the counselor authorized the service or when the obligation of the expenditure occurred.

For consumer services, MRC obligated Federal funds to the FFY award based upon when the service began or when the request to obligate the funds was sent to fiscal unit staff. In instances when a service is scheduled to begin in a future FFY, even though the counselor authorized the service, the obligation wasn’t assigned to the current FFY, but to the future FFY award when the service was scheduled to begin. For administrative expenditures, the obligation is assigned to the FFY award based upon the date the authorization was batched to fiscal for processing. Additionally, travel reimbursements are obligated to the Federal award open at the time the request for reimbursement is received, rather than liquidating the obligations from the Federal award to which the obligation should have been assigned (34 CFR §76.707(f)).

For contractual expenditures, MRC was not consistent in the dates used to assign obligations to the correct FFY award. MRC was not assigning obligations to the FFY award based upon the date the contract was signed, which is the date of the binding written commitment (34 CFR §76.707(d)), in order to ensure the invoice was charged to the correct Federal award.

MRC demonstrated during the on-site review it had the ability to assign obligations to the correct FFY award based upon the type of obligation; however, the agency was not utilizing the correct process during the time of the on-site visit. Consequently, MRC could not demonstrate that obligations and the liquidation of those obligations, for property, services, and contracts were charged to the correct Federal award.

Federal Funds

RSA's review of the supporting documentation identified several instances in which the agency paid vendors from an incorrect VR award because the date of obligation was incorrectly assigned. In some instances, the invoices paid were for authorizations written (obligations made) prior to the start of the award from which the services were paid. Since MRC was assigning expenditures based upon an incorrect obligation date, the agency was not obligating Federal funds to the correct Federal award.

Non-Federal Funds

MRC accounts for and reports VR expenditures paid with non-Federal funds in a similar manner to the Federal funds process mentioned above. Specifically, the agency does not account for the accurate date the obligation occurred with non-Federal funds to ensure the liquidation of those expenditures from the correct Federal award. Additionally, a large portion of non-Federal funds in the VR program are derived from staff fringe benefits and staff time paid with indirect expenditures. These non-Federal expenditures must be assigned to the correct period of performance based upon when the time is worked, not when the time is paid or when the State sets the non-Federal funds aside (34 CFR §76.707). Due to the fact that the agency does not appropriately assign non-Federal obligations to the correct period of performance, the agency cannot ensure that the liquidation of those obligations is charged to the proper Federal award. If the non-Federal expenditures are charged to an incorrect Federal award, those expenditures may not be an allowable source of match for the Federal award funds drawn down by the agency. As a result, RSA was unable to determine whether the agency satisfied VR program requirements for match, MOE, and the reservation and expenditure of funds for the provision of pre-employment transition services.

Conclusion: Based upon the information above, RSA has determined that MRC is not in compliance with the Federal requirements (34 CFR §361.12, 34 CFR §76.702, and 2 CFR §200.302) to accurately account for and report obligations and ensure expenditures are paid from the correct Federal award. As a result, RSA cannot determine whether the agency satisfied requirements related to match, MOE, and the reservation of funds for the provision of pre-employment transition services. As a recipient of Federal VR and Supported Employment funds, MRC must have procedures in place that ensure proper and efficient administration of its VR program, and that enable MRC to carry out all required functions. The methods of administration

must ensure accurate data collection and financial accountability (34 CFR §361.12 and 2 CFR §200.302).

Corrective Actions: RSA requires that MRC:

- 5.2.1 Update and implement policies and procedures to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance; and
- 5.2.2 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal requirements for the areas mentioned in 5.2.1.

5.3 Incorrect Assignment of Personnel Costs

Issue: Did MRC satisfy personnel cost allocation requirements in 2 CFR §§200.430 and 200.431. This area of review is included on page 53 of the MTAG.

Requirements: In accordance with Uniform Guidance in 2 CFR §200.430(i)(1)(vii), charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and must, among other things, support the distribution of the employee’s salaries or wages among specific activities or cost objectives if the employee works on more than one Federal award. In addition, 2 CFR §200.431(b)(2) states that the cost of fringe benefits is allowable if, among other things, the costs are equitably allocated to all related awards, including Federal awards. The Uniform Guidance at 2 CFR §200.62(a)(3) also defines “internal control over compliance requirements for Federal awards” as being a process that ensures, among other things, that transactions are accurately recorded and accounted for to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Analysis: RSA reviewed the agency’s written processes and a sample of timesheets to ensure the agency was assigning personnel costs, including fringe benefits, in accordance with the Uniform Guidance in 2 CFR part 200. The agency uses a substitute time system that utilizes a random time study sample to determine the allocable personnel costs assignable to each program. However, the random time study does not include all individuals who work on more than one cost objective and who are not covered in the indirect cost rate. As a result of RSA’s review, including on-site interviews with MRC staff, RSA determined that not all MRC staff are included in the random time study, and subsequently not all staff time is allocated to the correct cost objective. In addition, personnel costs related to holiday, vacation, and sick leave are not allocated correctly, as described further below.

MRC administers multiple programs, including the VR, State Independent Living Services, and Supported Employment programs. However, agency staff were not allocating time between the separate cost objectives appropriately. For example, staff that work with multiple programs (cost objectives) were charged only to the VR program even though their functions required them to work with all of the programs that MRC administers. Additionally, in the State Supported Employment program, staff that work with individuals once they are placed in employment and who provide ongoing support to the individuals are paid for out of a State account designated for ongoing supports. This State account is used specifically for extended services. However, MRC

staff paid out of this account did not account for their time spent providing services to youth with the most significant disabilities, or to adults. As a result the agency cannot demonstrate if match requirements in the Supported Employment program were met as those expenditures must meet the cost objective requirement in 34 CFR §§363.22 and 363.23. MRC could not account for the time staff spent providing such services to youth with the most significant disabilities.

Additionally, RSA also determined that holiday, vacation, and sick time were not allocated in proportion to the hours worked on each cost objective for agency staff. Staff who allocated direct time to multiple cost objectives still charged all holiday, vacation, and sick time to the VR program.

In addition, fringe benefits are paid with State funds and used to meet the VR program match requirement. However, MRC incorrectly used fringe benefits paid for staff working on multiple cost objectives, in addition to VR, as match for the VR program. The fringe benefits associated with time worked on other programs are not an allowable source of match in the VR program (34 CFR §361.60(b)).

Conclusion: MRC did not satisfy the personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 431), as the agency was improperly charging personnel costs for staff working on the non-VR programs solely to the VR award. Additionally, the agency did not have sufficient internal controls to ensure the proper assignment of holiday, vacation, and sick leave expenditures to the benefitting programs in accordance with the amount of time spent working on the cost objective. The improper allocation of personnel costs, including fringe benefits, resulted in unallowable costs being charged to and used as match for the VR program. The unallowable personnel costs and match represent questioned costs.

Corrective Actions: RSA requires that MRC:

- 5.3.1 Cease using VR funds to pay for personnel costs that must be allocated to other cost objectives;
- 5.3.2 Revise and implement internal control policies or procedures to correctly assign personnel costs, including fringe benefits, to the correct cost objectives;
- 5.3.3 Revise FFY 2014, 2015 and 2016 SF-425 reports to remove unallowable and unallocable personnel costs; and
- 5.3.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with personnel cost allocation requirements and accurate SF-425 reporting.

5.4 Prior Approval Requirements Not Met

Issue: Did MRC satisfy the prior approval requirements in 2 CFR §200.407. This area of review is included on page 53 of the MTAG.

Requirements: The Uniform Guidance in 2 CFR §200.407 includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended in order to avoid subsequent disallowance or dispute based on the unreasonableness or non-allocability. For example, 2 CFR §200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and

land are unallowable as direct charges, except with the prior written approval of the Federal awarding or pass through entity. The Uniform Guidance at 2 CFR §200.62(a)(3) also requires the agency have internal control over compliance requirements for Federal awards to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

On November 2, 2015, the Department of Education adopted the final regulations found in 2 CFR part 200 ([Federal Register notice 80 FR 67261](#)). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on the FFY 2016 Grant Award Notifications that stated, in pertinent part:

the prior approval requirements listed in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 CFR part 200) are applicable to this award... Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 CFR 200 subpart E).

In addition, information regarding the requirements in 2 CFR part 200 was communicated to grantees via RSA's listserv on September 23, 2015.

Analysis: RSA requested the agency's written policies, procedures or processes that ensure the agency was satisfying the prior approval requirements when applicable. MRC informed RSA that the processes were in development and still in draft form. To determine whether the lack of finalized processes resulted in non-compliance with the prior approval requirements, RSA reviewed agency expenditures and contracts provided by the agency. Discussions with the agency prior to and during the on-site visit, as well as a review of its expenditures and contracts, indicated that the agency purchased items that met the definition of equipment in accordance with 2 CFR §§200.33 and 200.439, exceeding the capitalization threshold of \$5,000. During the on-site review, RSA found a contract in which MRC purchased equipment used for audio and video purposes, where the total cost of the equipment exceeded the threshold for classification of equipment at \$5,000, and was charged directly to the VR award without prior approval from RSA.

Conclusion: As a result of the analysis, MRC did not satisfy the prior approval requirements pursuant to the Uniform Guidance (2 CFR §200.407).

Corrective Action: RSA requires that MRC:

- 5.4.1 Develop and implement policies and procedures, as well as a written internal control process including a monitoring component, to ensure ongoing compliance with the prior approval requirements.

D. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to MRC as described below.

Internal Controls

RSA provided technical assistance to MRC regarding the definition of and requirements for internal controls. RSA reviewed the requirements for internal controls in the Uniform Administrative Requirements at 2 CFR §§200.302(b)(4) and 200.303. In addition to discussing the definition of “internal controls,” RSA reviewed each item that the non-Federal entity must adhere to in 2 CFR §200.303 and discussed what constitutes good internal controls. The agency must have written guidance for establishing and maintaining effective internal control over the Federal award available to staff at all levels for their reference in order for internal controls to work. Good internal control includes a developed process that is used to test and verify if the internal controls work for the agency, and must include a process used to take action when instances of non-compliance are identified. RSA and MRC discussed the importance of disseminating policies and procedures for internal controls, including where to store policies and procedures and how to disseminate them to staff. RSA and MRC also discussed the importance of ensuring that policies not only reflect the requirements of the law, but how the agency will enact those requirements, in order to determine if MRC is complying with applicable Federal and State policies.

Assigning Obligations and Expenditures to the Correct Federal Award

RSA provided technical assistance to MRC regarding agency internal controls to ensure accurate Federal reporting and accounting of Federal and non-Federal expenditures. As required in 2 CFR §200.303(a) the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. RSA provided technical assistance to the agency regarding its process of paying for expenditures. As described in Section 5-C of this report, the agency is not liquidating expenditures with the same Federal award in which the funds are obligated. RSA and MRC reviewed the requirements in 34 CFR §76.707 that detail when an obligation is incurred for specific transactions. RSA and the agency reviewed this requirement along with the FAQ document issued on March 22, 2017 regarding the period of performance ([RSA: Period of Performance for Formula Grant Awards FAQs](#)).

With these requirements in mind RSA and MRC discussed adjusting agency accounting practices to ensure obligations and liquidations are accounted for with the same Federal award. RSA and MRC discussed in detail the different transactions in order to determine when an obligation occurs based upon the type of transaction. RSA provided technical assistance regarding tracing the funds at the time of encumbrance in the financial system.

Additionally, MRC does not have strong processes in place to review purchases referred to as incidental purchases (General Accounting Encumbrance purchases). RSA and MRC discussed

the importance of creating a process that includes reviewing GAE purchases to ensure they are consistently reviewed and that the Commonwealth's acquisition threshold is not exceeded.

Federal Reporting

RSA provided MRC with technical assistance related to accounting for expenditures on the SF-425 reports, specifically accounting for program income (34 CFR §361.63(c)(1)), including the requirement to draw program income prior to drawing Federal funds (34 CFR §361.63(c)(3)(iii)). RSA suggested the agency develop written internal control procedures to ensure it has a system in place that demonstrates the expenditure of program income prior to the drawdown of Federal funds.

RSA also provided MRC with technical assistance regarding indirect expenditures. This included the requirements for reporting indirect expenditures on the SF-425 even if the indirect expenditures are not paid for with Federal funds. The agency charges a lot of expenditures directly to the Federal VR award. RSA and MRC reviewed the requirements in accounting for indirect expenditures in a cost pool (2 CFR part 200, Appendix VII). RSA and MRC also reviewed the definition of an indirect expenditure in 2 CFR §200.56 which states that indirect costs are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportional to the results achieved.

Personnel Costs

RSA provided technical assistance to MRC regarding personnel cost allocation requirements in the Uniform Guidance (2 CFR §§200.430 and 431). RSA and the agency discussed the importance of written internal controls related to personnel time-keeping to ensure the agency implements its policies and procedures and develops a process to evaluate current effectiveness of implemented policy. RSA and MRC discussed evaluating and updating policies for personnel services to ensure accurate implementation as well as consistency among agency staff.

Prior Approval

RSA provided technical assistance to MRC regarding prior approval requirements in the Uniform Guidance (2 CFR §200.407). RSA shared the clause attached to the FFY 2016 Grant awards that specified the history of prior approval requirements for grantees and the changes that the occurred with the Department's adoption of the Uniform Administrative Requirements. RSA reviewed with MRC the US Government Publishing office [website](#) for the Electronic Code of Federal Regulations, in particular 2 CFR part 200. RSA reviewed the list of activities outlined in 2 CFR §200.407 that may require prior approval and reviewed the requirements under each activity with MRC to determine if prior approval was applicable for its grant awards. Under each activity, RSA and the agency discussed possible costs, with specific examples, that may require prior approval. RSA reviewed the requirement for agencies to have written policies and procedures in place (34 CFR §361.50 and 2 CFR §200.302(b)(7)), and discussed what the policies and procedures related to prior approval should include. In addition, RSA and MRC discussed that a policy or procedure for prior approval should be able to address—

- The process the agency has for obtaining prior approval;

- The process fiscal staff and contract staff use to determine if a cost should have received prior approval;
- Who in the agency needs to be aware of prior approval and who determined when prior approval is required; and
- Who compiles the requests with applicable information and sends the approval request to RSA.

Lastly, RSA provided guidance as to what information should be included with requests for prior approval, such as the applicable regulation, what the agency is seeking prior approval for, the source of the funds from which the costs will be charged, the cost justification for the cost, if necessary, and the anticipated duration of useful life. This list is an example of information the agency should consider including in the request for prior approval, and is not exhaustive.

Fiscal Forecasting

RSA and MRC discussed the importance of fiscal forecasting, specifically related to the agency's ability to track and account for Federal funds required to be reserved and expended on the provision of pre-employment transition services (34 CFR §361.65(a)(3)). RSA and MRC discussed reallocation since the implementation of WIOA. The agency has been receiving less in reallocation than requested due to a decrease in the total amount of Federal funds relinquished from other VR agencies. This affects MRC's total available Federal funds. MRC indicated with the decrease in total Federal funds, the agency is experiencing a decrease in staff resources which is compounded by attrition. All of these factors were discussed along with the need for the agency to effectively determine a fiscal forecasting model to ensure available resources are utilized and provided to individuals in need of VR services. RSA and MRC discussed different methods to fully use Federal and non-Federal funds including the possibility of obligating a large portion of purchased services with non-Federal expenditures, as well as exploring a team approach to service delivery.

Technical Assistance Requested

MRC has requested technical assistance in the following areas:

MRC requested RSA's assistance in determining best practices for use of fiscal staff. This included potential technical assistance from RSA regarding effectiveness other State VR agencies have in centralizing fiscal services to the designated State agency level versus the DSU level. The requested technical assistance included providing MRC with the benefits of centralizing fiscal staff as well as the difficulties agencies have faced using this approach.

SECTION 6: FOCUS AREA – JOINT WORKFORCE INNOVATION AND OPPORTUNITY ACT FINAL RULE IMPLEMENTATION

A. Nature and Scope

The U.S. Department of Education and the U.S. Department of Labor (collectively, the Departments) issued the WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) to implement jointly administered activities authorized by title I of WIOA. These jointly-administered regulations apply to all core programs of the workforce development system established by title I of WIOA and are incorporated into the VR program regulations through subparts D, E, and F of 34 CFR part 361.

WIOA strengthens the alignment of the public workforce development system's six core programs by compelling unified strategic planning requirements, common performance accountability measures, and requirements governing the one-stop delivery system. In so doing, WIOA places heightened emphasis on coordination and collaboration at the Federal, State, local, and tribal levels to ensure a streamlined and coordinated service delivery system for job seekers, including those with disabilities, and employers.

Under WIOA, the workforce development system consists of the following six core programs:

- Adult, Dislocated Worker, and Youth programs, authorized under title I;
- Adult Education and Family Literacy Act (AEFLA) program, authorized under title II;
- Employment Service program authorized under the Wagner-Peyser Act, as amended by title III; and
- VR program authorized under title I of the Rehabilitation Act of 1973, as amended by title IV.

Through this focus area, RSA:

- Assessed MRC progress toward fulfilling its role as one of the core programs in the workforce development system;
- Identified areas where MRC partnership and collaboration with other core programs should be strengthened; and
- Provided technical assistance to MRC to assist in implementing the Joint WIOA Final Rule.

This focus area consists of the following topical areas: Governance, Unified or Combined State Plans, One-Stop Operations, and Performance Accountability. To gather information pertinent to these topics, RSA reviewed the Program Year (PY) 2016 Combined State Plan and sample Memoranda of Understanding and Infrastructure Funding Agreements related to the one-stop service delivery system, as available. The review team met with the MRC Commissioner, VR Assistant Commissioner, MRC District Directors, program managers and program staff, Executive Office of Labor and Workforce Development staff (EOL), and local workforce

development representatives from the South Shore and North Central boards.

B. Overview

RSA reviewed MRC's progress and status in meeting its role as a WIOA core program and required partner under the Joint WIOA Final Rule at 20 CFR part 678 (subpart F of 34 CFR part 361). RSA found that MRC is meeting substantially the intent and spirit of the requirements outlined by WIOA in terms of ensuring that VR is participating and collaborating in the process. MRC also participates in deliberation and development of policies regarding workforce development activities for the Commonwealth of Massachusetts through the State and local workforce development boards, including participation in State plan development and implementation. Through this participation, MRC ensures that the one-stop delivery system is accessible physically and programmatically to individuals with disabilities and fulfills the requirement for direct access to VR services within the one-stop centers.

Governance

State Workforce Development Board

MRC is meeting the intent of the requirements outlined by WIOA with respect to State Workforce Development Board (SWDB) membership requirements. During the on-site visit MRC reported that the Governor of Massachusetts requires regular ongoing updates from the SWDB. MRC principal managers and the MRC Commissioner confirmed the Commissioner represents the State VR program on the SWDB and is the individual within MRC that maintains optimum policy making authority. The MRC Commissioner represents the VR program for both MRC and the Michigan Commission for the Blind (MCB) as a voting member on the SWDB, which is a 33 member board.

Local Workforce Development Boards

Massachusetts has 16 local workforce development boards (LWDBs) operating under an umbrella memorandum of understanding (MOU). At the time of the on-site visit, RSA confirmed MRC's participation on all of the LWDBs through representation by MRC area directors or designees. MRC indicated that its area directors or designees participate regularly in scheduled local board meetings. RSA reviewed a copy of the signed MOU for the Greater New Bedford Area Workforce Board, titled Joint Partner Local Umbrella MOU, encompassing the South Coast region of the Commonwealth.

MRC indicated that in April 2017, The Baker-Polito Administration launched a new regional workforce skills planning initiative, bringing together seven regional teams of educators, workforce, and economic development professionals to create regional blueprints for growth strategies in every region of the Commonwealth. The initiative, led by the Governor's Workforce Skills Cabinet, works to align State and local programs, policies, and resources to fuel job growth and address employer demand for talent.

State Plan Development and Implementation

MRC reported participating in monthly meetings with core partners during the development of the Combined State Plan, and has continued to meet regularly (at least quarterly) throughout the implementation to monitor the progress by core partners in meeting their goals. MRC demonstrated its progress in meeting its requirements and goals in the VR portion of the State Plan in April 2017 and presented its accomplishments again in December 2017 to the Department of Labor.

In the State planning process, Massachusetts followed the requirements under the Combined State Plan requirements in 20 CFR §676.140. While MRC reported no written policies related to development of the Combined State Plan, the agency described a process of ongoing meetings with core program partners for operational planning as part of the Combined State plan process. At the time of the review, MRC indicated that collaborative meetings with core partners were scheduled around the upcoming two-year plan modification.

MRC's Combined State Plan outlined several strategies for the Commonwealth, including aligning with in-demand careers in order to increase talent pipelines, implementing job-driven training programs, and coordinating services across WIOA funding streams. The creation of an integrated Regional Planning process was an outgrowth of early and ongoing meetings.

One-Stop Delivery System

According to the Massachusetts Combined State plan and on-site discussion with MRC management as well as representative members from the LWDB in the North Central and South Shore region of the State, a large portion of the workforce activities occurs through the Massachusetts One-Stop Career Centers (OSCCs).

Access to VR Services in One-Stop Centers

In accordance with 34 CFR §361.420 and 34 CFR §463.420, each required one-stop partner program must provide access to its programs or activities. Ideally, the one-stop delivery system should bring together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals with disabilities. At the time of this review, there were reportedly 27 comprehensive and 5 affiliated centers located throughout the Commonwealth, resulting in 32 One-Stop Career Centers within the 16 workforce areas in Massachusetts.

MRC program staff indicated that VR staff are co-located in the 27 main comprehensive One-Stop Career Centers. MRC is in the development stage of producing a common intake form and the completion of a computer "Dashboard" for staff to input information on partner program clients or for the determination of dual enrollment. Currently program partners are sharing that information through ongoing communication within the centers or information provided by the client.

Accessibility

MRC indicated on-site that all one-stop centers must compete to become a local one-stop provider. As part of that competition, centers complete their own assessment for both program and physical accessibility with the input and participation of the MRC area directors in the evaluation as part of that assessment as participating members of the certification committee from each local board to address accessibility requirements and the certification process. Additionally the partner MOU that RSA reviewed discussed the responsibility for program partners of the one-stops to provide co-location, cross information sharing/customer referral and direct access through real-time technology methods. At the time of this review MRC was providing VR program information and materials through direct access and by being co-located in all 27 main comprehensive One-Stop Career Centers.

Memoranda of Understanding

In accordance with 34 CFR §361.420 and 34 CFR §463.420, each required one-stop partner program must enter into a MOU that meets the requirements of 34 CFR §§361.500(b) and §463.500(b) with the LWDB relating to the operation of the one-stop delivery network.

MRC indicated all current One-Stop MOUs were reviewed on July 31, 2017. At the time of the on-site review, MRC indicated it had developed an umbrella MOU that covered the Greater New Bedford Area, consisting of, but not limited to, approximately 10 cities in a broad area of the South Coast region of the Commonwealth. MRC indicated this umbrella MOU was similar to the umbrella MOU for the South Shore region of the State consisting of about 22 cities. The Greater New Bedford Area Umbrella MOU was scheduled for a refresher in December 2017, and MRC indicated it would be refreshing its MOUs again in June 2018.

Infrastructure Costs

In accordance with 34 CFR §361.420(b)(2)(i), each required partner must use a portion of funds made available to the partners program to jointly fund the one-stop infrastructure through contributions that are based upon a reasonable cost allocation methodology by which infrastructure costs are charged to each partner based upon proportionate use and relative benefit received.

At the time of the on-site review, infrastructure costs and shared costs were combined and were administered by the Department of Career Services (DCS). During the on-site visit, MRC indicated that it was using an estimated approach toward determining its portion of one-stop infrastructure contributions. The one-stop partners, including MRC, entered into an interagency agreement to transfer funds to DCS. The DCS pools the funds received from all partners and then allocates the funds to the various one-stops to cover infrastructure costs. MRC indicated that this was being done under a one-year agreement. Thus, MRC is not in compliance with 34 CFR §361.13, as MRC is substantially giving up administrative control of the funds once they are transferred to DCS. This is covered in greater detail in the finding located in section D.

The Umbrella MOU shared by MRC provided an outlined approach that met some but not all of the requirements. Some references within the MOU identified Partner Roles and Responsibilities

and Financial Contribution responsibilities to be made by partners for either infrastructure or services costs, or both; These roles and responsibilities were in the development stage at the time of the on-site and were to be established during the Phase II timeline for this MOU which was scheduled for completion in December 2017.

Performance Accountability

Performance Data Collection and Reporting

The State performance report required by section 116(d)(2) of WIOA and 34 CFR §361.160 must be submitted annually using the template developed by DOL and the Department of Education. For VR specific standards, RSA recently updated the RSA-911 to include effectiveness in serving employers in the primary indicators of performance identified in 34 CFR §361.155. In accordance with RSA Technical Assistance Circular (TAC) 17-01, Performance Accountability Guidance for Workforce Innovation and Opportunity Act Title I, Title II, Title III and Title IV Core Programs, States must select two of three approaches while participating in a pilot program to measure the effectiveness in serving employers. MRC indicated that it will be using the measure of employer penetration rate for monitoring effectiveness in serving employers, which may address the program's efforts to provide quality engagement and services to employers and in-demand job sectors within the State. At the time of the on-site visit, MRC had not identified the second measure the Commonwealth would choose for determining effectiveness in serving employers but was considering: the amount of outreach to employers; repeat business based on amount of hiring by employers; and employment in career path positions. MRC staff indicated that they did not have enough information on the common measures to make a determination as to which two measures would be used.

Performance Data Sharing

Section 116 of WIOA establishes performance accountability measures that apply across the core programs to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served by those programs. The performance accountability measures encourage States to work collaboratively on measures shared across the workforce development system. In calculating the performance accountability measures, VR agencies need to develop data sharing agreements with various entities to obtain information on employment status, wages, and credential attainment, in addition to developing mechanisms for sharing data for the "effectiveness in serving employers" measure.

At the time of the on-site visit, MRC indicated that it was in the development stages of creating a dashboard overlay platform that will work in conjunction with the States one-stop database dashboard, called (MOSES) that allows for the inclusion of MRC program enrollments and other partner program enrollments and is used as the State's database warehouse platform. MRC indicated that it had not established a method of assigning a unique identifier to individuals who may be receiving or may be eligible to receive VR services, nor does it have a method outside of one-on-one discussion with partner programs for follow up on mutual clients or for identifying whether individuals receiving VR services are co-enrolled in other core programs. MRC uses the

States online web based program of “jobquest” as a common intake and registration form for VR clients who come through the one-stop centers.

C. Analysis of Performance and Observations

RSA’s review of the performance of the VR program in this focus area did not result in the identification of observations and recommendations.

D. Findings and Corrective Actions to Improve Performance

RSA’s review of the performance of the VR program in this focus area resulted in the identification of the following finding and corrective actions to improve performance. Appendix C of this report indicates whether or not the agency has requested technical assistance to enable it to implement any of the below corrective actions.

6.1 Funding One-Stop Infrastructure Costs under the VR Program

Issue: Does MRC’s process for funding the VR program’s proportionate amount of the one-stop system’s infrastructure costs satisfy 34 CFR §§361.13 and 34 CFR 361.715.

Requirement: Pursuant to 34 CFR §361.13(b)(1)(ii), the designated State unit (DSU) for the VR program must have a full-time director who is responsible for the day-to-day operations of the VR program. As such, the DSU has the sole responsibility to allocate and expend VR funds (34 CFR §§361.13(b)(1)(v), 361.13(c)(1)(iv), and 361.13(c)(2)). Moreover, the DSU has sole responsibility for the VR program’s participation as a partner in the one-stop service delivery system (34 CFR §§361.13(c)(1)(v) and 361.13(c)(2)).

As a required one-stop partner, pursuant to joint one-stop regulations at 34 CFR §361.400(b)(4), a VR agency must contribute toward the one-stop system’s infrastructure costs in a manner that is based on:

- A reasonable cost allocation methodology by which infrastructure costs are charged to each partner based on proportionate use and relative benefit received;
- Federal cost principles; and
- Any local administrative cost requirements in the Federal law authorizing the partner's program. (This is further described in 34 CFR §§361.700 and 34 CFR 361.420(b)(2)).

Infrastructure costs are non-personnel costs necessary for the general operations of the one-stop centers (34 CFR §361.700(a)). These costs may be funded under either the local funding mechanism or the State funding mechanism (34 CFR §361.710). Under the local funding mechanism, the LWDB, chief elected officials, and one-stop partners negotiate in an effort to determine the method(s) of calculating amounts each partner will contribute toward one-stop infrastructure funding, consistent with 34 CFR §361.715. Pursuant to 34 CFR §361.705, the Governor of each State develops and issues guidance for use by local areas in their efforts to determine partner contributions to fund one-stop infrastructure costs, including timelines for local areas to notify the Governor when the local partners are not able to reach consensus, thereby triggering the State funding mechanism described in 34 CFR §361.730. Only under the

State funding mechanism will the Governor calculate and implement the statutory statewide program caps for determining infrastructure cost contributions from one-stop partner programs in local areas operating under the State funding mechanism. For purposes of the VR program, when the State funding mechanism is triggered, the statutory cap on infrastructure cost contributions is set forth in 34 CFR §361.738(c)(3)(i). Conversely, there are no caps for the VR program's contributions for infrastructure costs under the local funding mechanism, so long as the costs are allowable and proportionate to the VR program's use of the one-stop center and relative benefit received by the program (34 CFR §361.720(b)).

Pursuant to 34 CFR §361.755, each local area's MOU (described in 34 CFR §361.500) must include an infrastructure funding agreement (IFA), regardless of whether the one-stop centers' infrastructure costs are funded under the local funding mechanism or the State funding mechanism. The U.S. Departments of Education and Labor provided extensive guidance regarding the funding of the one-stop system's infrastructure costs in both the joint one-stop regulations ([Federal Register notice 81 FR 55791](#)), published August 19, 2016, and in technical assistance circular (RSA-TAC-17-03), published January 18, 2017.

Analysis: During its on-site monitoring process, RSA requested sample MOUs from Massachusetts' local workforce areas to assess MRC's progress in implementing the joint one-stop requirements for purposes of the VR program, including those regarding funding the one-stop system's infrastructure costs. While the agency provided RSA a few sample MOUs that satisfied some of the one-stop MOU requirements identified in 34 CFR §§361.500 and 361.755, the MOUs did not contain an infrastructure or shared services budget, or final IFA identifying the infrastructure costs of local area one-stop partners, including MRC, as required by 34 CFR §361.755. Rather, for purposes of the VR program, the local MOUs included a section on shared and infrastructure costs that stated: "the MA Department of Career Services (DCS) is negotiating agreements on the specific infrastructure and shared program costs at the State level, including the method by which revenue and costs will be supported by each partner. Infrastructure, shared services, and operating costs, will be fully transparent and made available to Partners throughout the year." The umbrella MOU indicates "once contributions are identified locally via successful MOU negotiations, or at the State level if local consensus fails, the method of transferring negotiated partner funds to the one-stop system may be via direct contract from the partner to the local area, or to the area via funds transferred from the partner to EOWLD, as appropriate." While the umbrella language indicates the partners are negotiating the agreements on the State level, DCS determined the applicable contributions from each partner at the local level agreements and administered the funding accordingly. Additionally, MRC entered into an interagency agreement to transfer the Federal funds to DCS for administration.

During on-site discussions, MRC executive staff members informed RSA that, because of the MOU language just cited, MRC did not participate in local area negotiations, as it is required to do under the local funding mechanism, but rather used very rough estimates to determine a total amount to contribute to infrastructure and share costs, in which DCS would then determine proportional amount for each local area. MRC contributed a total amount based upon historical data from the number of VR consumers referred from all of the one-stop centers, with the understanding that DCS would administer the funds appropriately to each local workforce area. MRC staff indicated they did not have a lot of historical data to determine an accurate proportional amount and subsequently determined that roughly 1.6 percent of the agency's

consumers were referred from the one-stop systems. Therefore MRC determined that it would contribute 1.6 percent of the FFY 2016 VR allotment for program year 2017, less any in-kind contribution based on counselor time and salary.

The local funding mechanism for determining infrastructure cost contributions from each of the partners required negotiations about what each partner – including MRC – would contribute and the costs that would be included in the total infrastructure costs (34 CFR §361.715). According to the information RSA gathered as part of its on-site monitoring process, the local workforce areas did not reach consensus on the infrastructure costs as those costs were being determined at the State level by DCS. Additionally, if local consensus is not reached and the State funding mechanism is triggered, the Governor’s office and State board must administer the funding through the State funding mechanism (34 CFR §361.725). However, in Massachusetts, the funding was being administered through DCS. Since MRC did not negotiate the terms of the IFA for purposes of the VR program’s contributions for funding the one-stop system’s infrastructure costs, MRC did not satisfy its role as a one-stop partner to negotiate the IFA, as required by 34 CFR §361.715. As such, there is not sufficient information to determine whether MRC paid its proportionate share of the costs.

With respect to MRC’s transfer of funds to DCS, it is important to note that there is no prohibition against MRC using DCS as a centralized office for the payment of bills stemming from MRC’s proportionate share of the infrastructure costs. Such streamlining of administrative functions at the State level is permissible. However, at all times, MRC must remain responsible for determining how much it will contribute toward the infrastructure costs and negotiating what costs will be included in the total infrastructure costs. Only then can MRC ensure it is retaining sole responsibility for the allocation and expenditure of VR funds and for its role as a one-stop partner, as required by 34 CFR §§361.13(b)(1)(v) and 361.13(c)(1)(iv) and (v). Given the transfer of funds made in accordance with the MOU, it is unclear whether MRC maintained responsibility for its non-delegable functions as a DSU.

Conclusion: As a result of this analysis, MRC did not meet the joint one-stop requirements in 34 CFR part 361, subpart F, related to MOU and infrastructure cost requirements, because it did not participate in local funding mechanism negotiations. Rather, it used its funding amount under the State funding mechanism even though the State funding mechanism had not been triggered, and was being administered by DCS, and local negotiations in each local area in the State had not been reached. In addition, MRC did not satisfy the non-delegable functions as the DSU for the VR program, as set forth in 34 CFR §361.13.

Corrective Action Steps: RSA requires that MRC:

- 6.1.1 Retain sole responsibility for its non-delegable functions as a DSU, as required by 34 CFR §361.13; and
- 6.1.2 Develop and implement procedures to participate in local area negotiations with the Local WDB, chief elected officials, and one-stop partners to develop a local MOU, and in an effort to determine the cost allocation methodology(ies) of calculating amounts each partner will contribute toward one-stop infrastructure costs.

E. Technical Assistance

During the course of monitoring activities, RSA provided technical assistance to MRC as described below.

RSA provided technical assistance on determining infrastructure cost as outlined in their completed MOUs.

Inadequate Cost Allocation and Administrative Control of Infrastructure and Shared Costs

RSA provided technical assistance to MRC regarding the requirements of the MOU for the one-stop delivery system, specifically related to funding the costs of the services and the operating costs of the system as defined in 34 CFR §361.500(b)(2). The MOU is the product of local discussion and negotiation, and is an agreement developed and executed between the LWDB and the one-stop partners, with the agreement of the chief elected official and the one-stop partners, relating to the operation of the one-stop delivery system in the local area. The MOU must include a description of services to be provided through the one-stop delivery system, including the manner in which the services will be coordinated and delivered through the system; and agreement on funding the costs of the services and the operating costs of the system, including: funding of infrastructure costs of one-stop centers in accordance with 34 CFR §§361.700 through 361.755; and funding of the shared services and operating costs of the one-stop delivery system described in 34 CFR §361.760.

RSA and MRC discussed the differences and requirements for shared costs defined at 34 CFR §361.760 and infrastructure costs defined in 34 CFR §361.700. Infrastructure costs are non-personnel costs that are necessary for the general operation of the one-stop facility. Shared costs are “additional costs relating to the operation of the one-stop delivery system. These other costs must include applicable career services and may include other costs, including shared services.

Shared services costs may include the costs of shared services that are authorized for and may be commonly provided through the one-stop partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other one-stop partners, and business services. Shared operating costs may also include shared costs of the LWDB's functions. Contributions to the additional costs related to operation of the one-stop delivery system may be cash, non-cash, or third-party in-kind contributions, consistent with how these are described in 34 CFR §361.720(c).

Technical assistance was also provided on the need for a range of cost allocation methodologies to ensure that the agency receives proportional benefit for the expenditures as well as various methods that might be effective. RSA also discussed the need for reconciliation of projected costs based on actual costs on a monthly or quarterly basis to ensure that proportionate shares of costs can be tracked and adjusted by the end of the year. Shared costs must be allocated according to the proportion of benefit received by each of the partners, consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements, including Federal cost principles in 2 CFR part 200 requiring that costs are

allowable, reasonable, necessary, and allocable. Any shared costs agreed upon by the one-stop partners must be included in the MOU.

MRC has not requested additional technical assistance.

APPENDIX A: PROGRAM AND FISCAL PERFORMANCE DATA TABLES

This appendix contains the program and fiscal performance data tables used throughout the review. Data were drawn from the RSA-113, the RSA-911, and SF-425. The RSA-113 report is a quarterly submission that provides cumulative information at the end of the Federal fiscal year. The data from the RSA-113 cover both open and closed cases as reported to RSA at the end of the Federal fiscal year. The RSA-911 contains only information on cases closed during the Federal fiscal year covered by the report and does not include information related to those cases remaining open in the next Federal fiscal year.

Table 3.1 MA-G Case Status Information, Exit Status, and Employment Outcomes for All Individuals - FFYs 2014-2016

Performance category	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total applicants	10,388		10,292		11,963		305,977	
Total eligible individuals	11,139		12,927		12,152		306,015	
Agency implementing order of selection	No		No		No		-	
Individuals on order of selection waiting list at year-end	0		0		0		3,973	
Individuals in plan receiving services	25,765		27,356		27,677		471,489	
Percent accepted for services who received no services		30.8%		24.3%		17.3%		24.70%
Exited as applicants	446	4.4%	476	4.2%	636	6.4%	37,688	12.9%
Exited trial experience/extended evaluation	1	.0%	5	.0%			1,972	.7%
Exited with employment	3,744	36.9%	3,789	33.4%	3,924	39.7%	97,912	33.6%
Exited without employment	2,516	24.8%	3,936	34.7%	3,224	32.6%	73,307	25.2%
Exited from OOS waiting list							2,649	.9%
Exited without employment outcomes, after eligibility, before an IPE was signed or before receiving services	3,433	33.9%	3,142	27.7%	2,105	21.3%	77,897	27.0%
Total received services	6,260	61.7%	7,725	68.1%	7,148	72.3%	171,219	58.8%
Employment rate		59.8%		49.0%		54.9%		57.2%

Performance category	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Competitive employment outcomes	3,627	96.9%	3,729	98.4%	3,921	99.9%	95,703	97.7%
Supported employment outcomes	166	4.4%%	186	4.9%	250	6.4%	12,755	13.0%
Average hourly earnings for competitive employment outcomes	\$12.69		\$12.94		\$13.53		\$12.37	
Average hours worked for competitive employment outcomes	26.86		26.77		27.14		30.4	
Median hourly earnings for competitive employment outcomes	\$10.52		\$11.00		\$11.00		\$10.00	
Median hours worked for competitive employment outcomes	25.00		25.00		25.00		32.0	
Quarterly median earnings	\$3,601.00		\$3,588.00		\$3,900.00		\$4,160.00	

Data sources: RSA-911, RSA 113

Table 3.2.a MA-G VR Training Services Provided for Individuals Served - FFYs 2014-2016

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	6,260		7,725		7,148		171,219	
College or university training	0	0.0%	12	0.2%	15	0.2%	630	0.4%
Four-year or university training	1,814	29.0%	1,891	24.5%	747	10.5%	10,694	6.2%
Junior or community college training	50	0.8%	66	0.9%	53	0.7%	7,517	4.4%
Occupational or vocational training	518	8.3%	431	5.6%	179	2.5%	19,665	11.5%
On-the-job training	193	3.1%	198	2.6%	68	1.0%	4,861	2.8%
Apprenticeship training	0	0.0%	0	0.0%	12	0.2%	223	0.1%
Basic academic remedial or literacy training	511	8.2%	553	7.2%	263	3.7%	1,693	1.0%
Job readiness training	956	15.3%	1,005	13.0%	570	8.0%	21,666	12.7%
Disability-related skills training	33	0.5%	49	0.6%	18	0.3%	2,025	1.2%
Miscellaneous training	1,795	28.7%	1,693	21.9%	794	11.1%	14,361	8.4%

Data source: RSA-911

Table 3.2.b MA-G VR Career Services Provided for Individuals Served - FFYs 2014-2016

Career Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	6,260		7,725		7,148		171,219	
Assessment	1,063	17.0%	1,280	16.6%	758	10.6%	109,501	64.0%
Diagnosis and treatment of impairment	4,839	77.3%	6,021	77.9%	3,033	42.4%	55,283	32.3%
Vocational rehab counseling and guidance	2,123	33.9%	7,524	97.4%	3,245	45.4%	99,604	58.2%
Job search assistance	480	7.7%	1,822	23.6%	935	13.1%	46,231	27.0%
Job placement assistance	2,981	47.6%	6,200	80.3%	2,739	38.3%	56,528	33.0%
On-the-job supports-short term	409	6.5%	304	3.9%	77	1.1%	17,268	10.1%
On-the-job supports-SE	377	6.0%	428	5.5%	223	3.1%	20,943	12.2%
Information and referral services	672	10.7%	1,374	17.8%	667	9.3%	27,036	15.8%
Benefits counseling	564	9.0%	1,162	15.0%	592	8.3%	8,229	4.8%
Customized employment services	0	0.0%	5	0.1%	2	0.0%	965	0.6%

Data source: RSA-911

Table 3.2.c MA-G VR Other Services Provided for Individuals Served - FFYs 2014-2016

Other Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	6,260		7,725		7,148		171,219	
Transportation	1,729	27.6%	1,979	25.6%	822	11.5%	45,632	26.7%
Maintenance	657	10.5%	768	9.9%	350	4.9%	38,337	22.4%
Rehabilitation technology	662	10.6%	800	10.4%	331	4.6%	23,667	13.8%
Reader services	0	0.0%	0	0.0%	1	0.0%	49	0.0%
Interpreter services	139	2.2%	200	2.6%	84	1.2%	2,964	1.7%
Personal attendant services	11	0.2%	19	0.2%	4	0.1%	200	0.1%
Technical assistance services	14	0.2%	8	0.1%	2	0.0%	710	0.4%
Other services	2,397	38.3%	2,565	33.2%	1,146	16.0%	42,323	24.7%

Data source: RSA-911

Table 3.3.a MA-G Outcomes by Type of Impairment - FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment outcomes	25	.7%	21	.6%	20	.5%	414	.4%
Visual - Without employment outcomes	8	.3%	11	.3%	16	.5%	323	.4%
Auditory and Communicative - Employment outcomes	374	10.0%	390	10.3%	347	8.8%	17,462	17.8%
Auditory and Communicative - Without employment outcomes	129	5.1%	200	5.1%	163	5.1%	3,956	5.4%
Physical - Employment outcomes	646	17.3%	608	16.0%	589	15.0%	19,838	20.3%
Physical - Without employment outcomes	524	20.8%	748	19.0%	579	18.0%	16,668	22.7%
Intellectual and Learning disability - Employment outcomes	1,031	27.5%	1,040	27.4%	1,099	28.0%	29,140	29.8%
Intellectual and Learning disability - Without employment outcomes	543	21.6%	846	21.5%	695	21.6%	21,885	29.9%
Psychosocial and psychological - Employment outcomes	1,668	44.6%	1,730	45.7%	1,869	47.6%	31,033	31.7%
Psychosocial and psychological - Without employment outcomes	1,312	52.1%	2,130	54.1%	1,771	54.9%	30,471	41.6%
Total served - Employment outcomes	3,744	100.0%	3,789	100.0%	3,924	100.0%	97,887	100.0%
Total served - Without employment outcomes	2,516	100.0%	3,935	100.0%	3,224	100.0%	73,303	100.0%

Data source: RSA-911

Table 3.3.b MA-G All Individuals Served by Type of Impairment FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Individuals served	33	0.5%	32	0.4%	36	0.5%	737	.4%
Auditory and Communicative - Individuals served	503	8.0%	590	7.6%	510	7.1%	21,418	12.5%
Physical - Individuals served	1,170	18.7%	1,356	17.6%	1,168	16.3%	36,506	21.3%
Intellectual and Learning disability - Individuals served	1,574	25.1%	1,886	24.4%	1,794	25.1%	51,025	29.8%
Psychosocial and psychological	2,980	47.6%	3,860	50.0%	3,640	50.9%	61,504	35.9%
Total individuals served	6,260	100.0%	7,724	100.0%	7,148	100.0%	171,190	100.0

Data source: RSA-911

Table 3.3.c MA-G Employment Rate by Type of Impairment - FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment rate		75.8%		65.6%		55.6%		56.2%
Auditory and Communicative - Employment rate		74.4%		66.1%		68.0%		81.5%
Physical - Employment rate		55.2%		44.8%		50.4%		54.3%
Intellectual and Learning disability - Employment rate		65.5%		55.1%		61.3%		57.1%
Psychosocial and psychological – Employment rate		56.0%		44.8%		51.3%		50.5%
Total served - Employment rate		59.8%		49.1%		54.9%		57.2%

Data source: RSA-911

Table 3.4.a MA-G Elapsed Time from Application to Eligibility for All Individuals Served - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 60 days	8,464	87.3%	9,628	88.6%	8,377	90.5%	212,423	84.4%
61 – 90 days	868	9.0%	907	8.3%	629	6.8%	20,734	8.2%
91 – 120 days	241	2.5%	235	2.2%	179	1.9%	9,125	3.6%
121 – 180 days	85	.9%	76	.7%	53	.6%	5,898	2.3%
181 – 365 days	29	.3%	18	.2%	11	.1%	2,979	1.2%
More than 1 year	6	.1%	3	.0%	4	.0%	606	.2%
Total eligible	9,693	100.0%	10,867	100.0%	9,253	100.0%	251,765	100.0%

Data source: RSA-911

Table 3.4.b MA-G Elapsed Time from Eligibility to IPE for All Individuals Served - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 90 days	2,836	45.3%	3,616	46.8%	3,792	53.0%	124,709	72.8%
More than 90 days	3,424	54.7%	4,109	53.2%	3,356	47.0%	46,510	27.2%
Total served	6,260	100.0%	7,725	100.0%	7,148	100.0%	171,219	100.0%

Data source: RSA-911

Table 3.4.c MA-G Elapsed Time from IPE to Closure for All Individuals Served - FFYs 2014-2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	92	1.5%	127	1.6%	145	2.0%	7,480	4.4%
4 – 6 months	494	7.9%	603	7.8%	564	7.9%	29,922	17.5%
7 – 9 months	605	9.7%	773	10.0%	685	9.6%	23,352	13.6%
10 – 12 months	521	8.3%	596	7.7%	600	8.4%	18,257	10.7%
13 - 24 months	1,575	25.2%	1,844	23.9%	1,757	24.6%	40,055	23.4%
25 – 36 months	1,009	16.1%	1,186	15.4%	995	13.9%	20,011	11.7%
37 – 60 months	1,200	19.2%	1,484	19.2%	1,292	18.1%	19,381	11.3%
More than 5 years	764	12.2%	1,112	14.4%	1,110	15.5%	12,761	7.5%
Total served	6,260	100.0%	7,725	100.0%	7,148	100.0%	171,219	100.0%

Data source: RSA-911

**Table 3.5.a MA-G Standard Occupational Classification (SOC) Codes for All Individuals Served
with Employment Outcomes - FFYs 2014-2016**

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)	14	.4%	19	.5%	23	.6%	656	.7%
Arts, Design, Entertainment, Sports, and Media (27-0000)	92	2.5%	88	2.3%	94	2.4%	1,025	1.0%
Building and Grounds Cleaning and Maintenance (37-0000)	272	7.3%	262	6.9%	234	6.0%	9,941	10.2%
Business and Financial Operations Occupations (13-0000)	58	1.5%	56	1.5%	68	1.7%	1,351	1.4%
Community and Social Services Occupations (21-0000)	277	7.4%	246	6.5%	260	6.6%	2,697	2.8%
Computer and Mathematical Occupations (15-0000)	51	1.4%	41	1.1%	67	1.7%	1,180	1.2%
Constructive and Extraction Occupations (47-0000)	107	2.9%	134	3.5%	126	3.2%	2,834	2.9%
Education, Training, and Library Occupations (25-0000)	144	3.8%	128	3.4%	122	3.1%	3,015	3.1%
Farming, Fishing, and Forestry Occupations(45-0000)	9	.2%	13	.3%	17	.4%	570	.6%
Food Preparation and Serving Related Occupations (35-0000)	397	10.6%	411	10.8%	429	10.9%	11,974	12.2%
Healthcare Practitioners and Technical Occupations (29-0000)	86	2.3%	76	2.0%	106	2.7%	2,557	2.6%
Healthcare Support Occupations (31-0000)	218	5.8%	263	6.9%	249	6.3%	4,036	4.1%
Homemaker*	113	3.0%	60	1.6%	3	.1%	296	.3%
Installation, Maintenance, and Repair Occupations (49-0000)	116	3.1%	99	2.6%	108	2.8%	3,722	3.8%
Legal Occupations (23-0000)	11	.3%	12	.3%	9	.2%	239	.2%
Life, Physical, and Social Science Occupations (19-0000)	17	.5%	16	.4%	13	.3%	451	.5%
Management Occupations (11-0000)	50	1.3%	45	1.2%	61	1.6%	2,417	2.5%
Military Specific Occupations (55-0000)	1	.0%	4	.1%	4	.1%	37	.0%
Office and Administrative Support Occupations (19-0000)	486	13.0%	468	12.4%	555	14.1%	16,146	16.5%
Personal Care and Service Occupations (39-0000)	235	6.3%	254	6.7%	226	5.8%	6,382	6.5%
Production Occupations (51-0000)	169	4.5%	163	4.3%	188	4.8%	7,461	7.6%
Protective Service Occupations (33-0000)	67	1.8%	60	1.6%	74	1.9%	1,624	1.7%
Randolph-Sheppard vending facility clerk*								
Randolph-Sheppard vending facility operator*								

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Sales and Related Occupations (41-0000)	443	11.8%	512	13.5%	537	13.7%	8,555	8.7%
Transportation and Material Moving Occupations (53-0000)	307	8.2%	359	9.5%	351	8.9%	8,716	8.9%
Unpaid Family Worker*	4	.1%					28	.0%
Total employment outcomes	3,744	100.0%	3,789	100.0%	3,924	100.0%	97,910	100.0%

Data source: RSA-911

Table 3.5.b MA-G Standard Occupational Classification (SOC) Codes Median Hourly Earnings for All Individuals Served with Employment Outcomes - FFYs 2014-2016

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)	\$21.25		\$18.00		\$23.00		\$20.00	
Arts, Design, Entertainment, Sports, and Media (27-0000)	\$14.75		\$12.50		\$12.30		\$12.50	
Building and Grounds Cleaning and Maintenance (37-0000)	\$10.00		\$10.00		\$10.00		\$9.15	
Business and Financial Operations Occupations (13-0000)	\$15.00		\$16.50		\$17.43		\$16.83	
Community and Social Services Occupations (21-0000)	\$13.00		\$13.00		\$13.98		\$13.90	
Computer and Mathematical Occupations (15-0000)	\$15.00		\$16.00		\$20.00		\$16.03	
Constructive and Extraction Occupations (47-0000)	\$16.00		\$17.00		\$18.85		\$13.00	
Education, Training, and Library Occupations (25-0000)	\$13.50		\$14.00		\$14.00		\$13.54	
Farming, Fishing, and Forestry Occupations(45-0000)	\$10.00		\$9.60		\$10.00		\$10.15	
Food Preparation and Serving Related Occupations (35-0000)	\$9.00		\$9.00		\$10.00		\$9.00	
Healthcare Practitioners and Technical Occupations (29-0000)	\$19.58		\$14.63		\$18.00		\$19.00	
Healthcare Support Occupations (31-0000)	\$12.00		\$12.34		\$13.00		\$10.65	
Homemaker*								
Installation, Maintenance, and Repair Occupations (49-0000)	\$12.00		\$13.50		\$13.00		\$11.76	
Legal Occupations (23-0000)	\$15.63		\$18.17		\$17.75		\$17.00	
Life, Physical, and Social Science Occupations (19-0000)	\$20.00		\$15.25		\$20.00		\$15.00	
Management Occupations (11-0000)	\$14.71		\$18.00		\$16.00		\$16.00	

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Military Specific Occupations (55-0000)	\$8.00		\$16.60		\$11.05		\$10.00	
Office and Administrative Support Occupations (19-0000)	\$10.50		\$10.50		\$10.51		\$10.00	
Personal Care and Service Occupations (39-0000)	\$10.52		\$11.00		\$11.00		\$9.19	
Production Occupations (51-0000)	\$10.53		\$10.50		\$11.25		\$10.00	
Protective Service Occupations (33-0000)	\$11.00		\$11.65		\$12.00		\$10.91	
Randolph-Sheppard vending facility clerk*								
Randolph-Sheppard vending facility operator*								
Sales and Related Occupations (41-0000)	\$8.90		\$9.00		\$10.00		\$9.48	
Transportation and Material Moving Occupations (53-0000)	\$10.00		\$10.50		\$11.00		\$10.00	
Unpaid Family Worker*								
Total employment outcomes	\$10.52		\$11.00		\$11.00		\$10.00	

Data source: RSA-911

Table 4.1 (MA-G) Case Status Information, Outcomes, and Quality Employment Measures for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016

Individuals with Disabilities under Age 25 at Exit	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total cases closed	3,008		3,328		2,929		97,326	
Exited as an applicant	116	3.86%	138	4.15%	188	6.42%	10,445	10.73%
Exited during or after trial work experience/extended evaluation		0.00%	4	0.12%		0.00%	710	0.73%
Exited without employment after IPE, before services	10	0.33%	17	0.51%	56	1.91%	2,787	2.86%
Exited from order of selection waiting list		0.00%		0.00%		0.00%	580	0.60%
Exited without employment after eligibility, before IPE	1,165	38.73%	1,063	31.94%	686	23.42%	26,275	27.00%
Exited with employment	1,054	35.04%	1,081	32.48%	1,167	39.84%	31,041	31.89%
Exited without employment	663	22.04%	1,025	30.80%	832	28.41%	25,488	26.19%
Employment rate	61.39%		51.33%		58.38%		54.91%	
Supported employment outcomes	45	4.27%	62	5.74%	64	5.48%	5,568	17.94%
Competitive employment outcomes	1,047	99.34%	1,076	99.54%	1,167	100.00%	30879	99.48%
Average hourly earnings for competitive employment outcomes	\$10.51		\$11.04		\$11.70		\$10.31	
Average hours worked per week for competitive employment outcomes	26.74		26.76		26.81		28.83	
Competitive employment outcomes at 35 or more hours per week	300	28.46%	317	29.32%	342	29.31%	10,972	35.35%
Competitive employment outcomes meeting SGA	517	49.05%	536	49.58%	610	52.27%	15,965	51.43%
Competitive employment outcomes with employer- provided medical insurance	128	12.14%	140	12.95%	148	12.68%	4,181	13.47%

Data source: RSA-911

**Table 4.2 (MA-G) Select VR Services Provided for Individuals with Disabilities
under Age 25 at Exit- FFYs 2014-2016**

Training Services	2014	2014 Percent	2015	2015 Percent	2016	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of individuals served	1,717		2,106		1,999		56,529	
College or university training	0	0.00%	4	0.20%	5	0.30%	217	0.40%
Four-year or university training	648	37.70%	620	29.40%	262	13.10%	4,759	8.40%
Junior or community college training	11	0.60%	20	0.90%	20	1.00%	3,700	6.50%
Occupational or vocational training	115	6.70%	75	3.60%	36	1.80%	7,389	13.10%
On-the-job training	50	2.90%	49	2.30%	13	0.70%	2,350	4.20%
Apprenticeship training	0	0.00%	0	0.00%	9	0.50%	72	0.10%
Basic academic remedial or literacy training	193	11.20%	199	9.40%	93	4.70%	1,199	2.10%
Job readiness training	308	17.90%	314	14.90%	190	9.50%	9,356	16.60%
Disability-related skills training	19	1.10%	18	0.90%	6	0.30%	733	1.30%
Miscellaneous training	564	32.80%	549	26.10%	261	13.10%	7,283	12.90%
Assessment	357	20.80%	416	19.80%	221	11.10%	34,386	60.80%
Diagnosis and treatment of impairment	1,126	65.60%	1,377	65.40%	717	35.90%	12,093	21.40%
Vocational rehab counseling and guidance	557	32.40%	2,066	98.10%	918	45.90%	31,103	55.00%
Job search assistance	164	9.60%	621	29.50%	312	15.60%	16,078	28.40%
Job placement assistance	855	49.80%	1,713	81.30%	817	40.90%	19,602	34.70%
On-the-job supports-short term	119	6.90%	76	3.60%	24	1.20%	6,477	11.50%
On-the-job supports-SE	102	5.90%	105	5.00%	57	2.90%	9,365	16.60%
Information and referral services	242	14.10%	474	22.50%	244	12.20%	8,416	14.90%
Benefits counseling	95	5.50%	201	9.50%	105	5.30%	1,985	3.50%
Customized employment services	0	0.00%	2	0.10%	0	0.00%	398	0.70%
Transportation	436	25.40%	504	23.90%	209	10.50%	11,822	20.90%
Maintenance	129	7.50%	146	6.90%	62	3.10%	10,231	18.10%

Training Services	2014	2014 Percent	2015	2015 Percent	2016	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Rehabilitation technology	100	5.80%	168	8.00%	75	3.80%	2,970	5.30%
Reader services	0	0.00%	0	0.00%	0	0.00%	22	0.00%
Interpreter services	26	1.50%	34	1.60%	11	0.60%	691	1.20%
Personal attendant services	0	0.00%	4	0.20%	0	0.00%	68	0.10%
Technical assistance services	0	0.00%	2	0.10%	0	0.00%	82	0.10%
Other services	724	42.20%	753	35.80%	344	17.20%	12,803	22.60%

Data source: RSA-911

**Table 4.3.a (MA-G) Outcomes by Type of Impairment for Individuals with Disabilities
under Age 25 at Exit- FFYs 2014-2016**

Type of Impairment	2014	2014 Percent	2015	2015 Percent	2016	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Employment outcomes	4	0.40%	5	0.50%	6	0.50%	83	0.27%
Visual - Without employment outcomes	1	0.20%	3	0.30%	7	0.80%	78	0.31%
Auditory and Communicative - Employment outcomes	49	4.60%	65	6.00%	61	5.20%	1840	5.93%
Auditory and Communicative - Without employment outcomes	36	5.40%	61	6.00%	45	5.40%	1161	4.56%
Physical - Employment outcomes	81	7.70%	69	6.40%	78	6.70%	2496	8.04%
Physical - Without employment outcomes	48	7.20%	88	8.60%	62	7.50%	2012	7.89%
Intellectual and Learning disability - Employment outcomes	606	57.50%	614	56.80%	629	53.90%	18991	61.19%
Intellectual and Learning disability - Without employment outcomes	334	50.40%	514	50.20%	420	50.50%	14904	58.48%
Psychosocial and psychological - Employment outcomes	314	29.80%	328	30.30%	393	33.70%	7628	24.58%
Psychosocial and psychological - Without employment outcomes	244	36.80%	358	34.90%	298	35.80%	7331	28.76%
Total served - Employment outcomes	1,054	100.00%	1,081	100.00%	1,167	100.00%	31,038	100.00%
Total served - Without employment outcomes	663	100.00%	1,024	100.00%	832	100.00%	25,486	100.00%

Data source: RSA-911

Table 4.3.b (MA-G) All Individuals Served by Type of Impairment for Individuals with Disabilities under Age 25 at Exit- FFYs 2014-2016

Type of Impairment	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Visual - Individuals served	33	2.40%	8	0.40%	13	0.70%	161	0.28%
Auditory and Communicative - Individuals served	47	3.40%	126	6.00%	106	5.30%	3,001	5.31%
Physical - Individuals served	133	9.70%	157	7.50%	140	7.00%	4,508	7.98%
Intellectual and Learning disability - Individuals served	964	70.60%	1,128	53.60%	1,049	52.50%	33,895	59.97%
Psychosocial and psychological	188	13.80%	686	32.60%	691	34.60%	14,959	26.46%
Total individuals served	1,717	100.00%	2,105	100.00%	1,999	100.00%	56,524	100.00%

Data source: RSA-911

Table 4.3.c (MA-G) Employment Rate by Type of Impairment for Individuals with Disabilities under Age 25 at Exit- FFYs 2014-2016

Type of Impairment	2014	2015	2016	2016 National Agency Type Percent
Visual - Employment rate	80.00%	62.50%	46.20%	51.55%
Auditory and Communicative - Employment rate	57.60%	51.60%	57.50%	61.31%
Physical - Employment rate	62.80%	44%	55.70%	55.37%
Intellectual and Learning disability - Employment rate	64.50%	54.40%	60.00%	56.03%
Psychosocial and psychological – Employment rate	56.30%	47.80%	56.90%	50.99%
Total served - Employment rate	61.40%	51.40%	58.40%	54.91%

Data source: RSA-911

Table 4.4.a (MA-G) Elapsed Time from Application to Eligibility for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016

Elapsed Time	2014		2015		2016		2016 National Agency Type Number	2016 National Agency Type Percent
	Number	Percent	Number	Percent	Number	Percent		
0 – 60 days	2,562	88.59%	2,873	90.18%	2,505	91.39%	71,426	82.89%
61 – 90 days	245	8.47%	257	8.07%	198	7.22%	7,648	8.88%
91 – 120 days	62	2.14%	33	1.04%	30	1.09%	3,405	3.95%
121 – 180 days	16	0.55%	20	0.63%	7	0.26%	2,280	2.65%
181 – 365 days	7	0.24%	2	0.06%	1	0.04%	1,166	1.35%
More than 1 year		0.00%	1	0.03%		0.00%	246	0.29%
Total eligible	2,892		3,186		2,741		86,171	

Data source: RSA-911

**Table 4.4.b (MA-G) Elapsed Time from Eligibility to IPE for Individuals with Disabilities
under Age 25 at Exit Served—FFYs 2014–2016**

Elapsed Time	2014		2015		2016		National Agency Type Number	National Agency Type Percent
	Number	Percent	Number	Percent	Number	Percent		
0 – 3 months	734	42.75%	910	43.21%	1,073	53.68%	39,529	69.93%
4-6 months	363	21.14%	432	20.51%	365	18.26%	8,989	15.90%
7-9 months	237	13.80%	286	13.58%	227	11.36%	3,334	5.90%
10-12 months	165	9.61%	241	11.44%	175	8.75%	1,909	3.38%
More than 12 months	218	12.70%	237	11.25%	159	7.95%	2,768	4.90%
Total served	1,717		2,106		1,999		56,529	

Data source: RSA-911

**Table 4.4.c (MA-G) Elapsed Time from IPE to Closure for Individuals with Disabilities
under Age 25 at Exit Served—FFYs 2014–2016**

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	22	1.28%	27	1.28%	36	1.80%	1,857	3.29%
4 – 6 months	115	6.70%	147	6.98%	125	6.25%	6,383	11.29%
7 – 9 months	149	8.68%	202	9.59%	186	9.30%	6,521	11.54%
10 – 12 months	129	7.51%	165	7.83%	160	8.00%	5,995	10.61%
13 - 24 months	436	25.39%	530	25.17%	538	26.91%	15,587	27.57%
25 – 36 months	327	19.04%	370	17.57%	318	15.91%	8,330	14.74%
37 – 60 months	400	23.30%	480	22.79%	421	21.06%	7,953	14.07%
More than 5 years	139	8.10%	185	8.78%	215	10.76%	3,903	6.90%
Total served	1,717		2,106		1,999		56,529	

Data source: RSA-911

**Table 4.5.a (MA-G) Standard Occupational Classification (SOC) Codes for Individuals with Disabilities under Age 25 at Exit
Served with Employment Outcomes—FFYs 2014–2016**

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Architecture and Engineering Occupations (17-0000)	3	0.28%	3	0.28%	11	0.94%	153	0.49%
Arts, Design, Entertainment, Sports, and Media (27-0000)	17	1.61%	17	1.57%	20	1.71%	286	0.92%
Building and Grounds Cleaning and Maintenance (37-0000)	78	7.40%	76	7.03%	59	5.06%	2,966	9.56%
Business and Financial Operations Occupations (13-0000)	12	1.14%	8	0.74%	9	0.77%	247	0.80%
Community and Social Services Occupations (21-0000)	29	2.75%	23	2.13%	39	3.34%	293	0.94%
Computer and Mathematical Occupations (15-0000)	15	1.42%	11	1.02%	14	1.20%	296	0.95%
Constructive and Extraction Occupations (47-0000)	19	1.80%	22	2.04%	26	2.23%	749	2.41%
Education, Training, and Library Occupations (25-0000)	35	3.32%	27	2.50%	41	3.51%	645	2.08%
Farming, Fishing, and Forestry Occupations (45-0000)	4	0.38%	7	0.65%	9	0.77%	246	0.79%
Food Preparation and Serving Related Occupations (35-0000)	190	18.03%	193	17.85%	174	14.91%	5,612	18.08%
Healthcare Practitioners and Technical Occupations (29-0000)	11	1.04%	21	1.94%	23	1.97%	467	1.50%
Healthcare Support Occupations (31-0000)	46	4.36%	56	5.18%	52	4.46%	1,116	3.60%
Homemaker*	7	0.66%	5	0.46%		0.00%	11	0.04%

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Installation, Maintenance, and Repair Occupations (49-0000)	44	4.17%	31	2.87%	36	3.08%	1,373	4.42%
Legal Occupations (23-0000)	3	0.28%	1	0.09%		0.00%	24	0.08%
Life, Physical, and Social Science Occupations (19-0000)	2	0.19%	5	0.46%	4	0.34%	102	0.33%
Management Occupations (11-0000)	7	0.66%	4	0.37%	4	0.34%	283	0.91%
Military Specific Occupations (55-0000)	1	0.09%	4	0.37%	4	0.34%	32	0.10%
Office and Administrative Support Occupations (43-0000)	127	12.05%	123	11.38%	156	13.37%	4,939	15.91%
Personal Care and Service Occupations (39-0000)	64	6.07%	74	6.85%	76	6.51%	2,469	7.95%
Production Occupations (51-0000)	55	5.22%	44	4.07%	70	6.00%	2,501	8.06%
Protective Service Occupations (33-0000)	25	2.37%	27	2.50%	24	2.06%	403	1.30%
Randolph-Sheppard Vending Facility Clerk*		0.00%		0.00%		0.00%		0.00%
Randolph-Sheppard Vending Facility Operator*		0.00%		0.00%		0.00%		0.00%
Sales and Related Occupations (41-0000)	174	16.51%	192	17.76%	213	18.25%	3,405	10.97%
Transportation and Material Moving Occupations (53-0000)	86	8.16%	107	9.90%	103	8.83%	2,414	7.78%

SOC	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Unpaid Family Worker*		0.00%		0.00%		0.00%	7	0.02%
Total employment outcomes	1054		1081		1167		31,039	

Data source: RSA-911

Table 4.5.b (MA-G) Standard Occupational Classification (SOC) Codes Median Hourly Earnings for Individuals with Disabilities under Age 25 at Exit Served with Employment Outcomes—FFYs 2014–2016

SOC	2014	2015	2016	2016 National Agency Type
Architecture and Engineering Occupations (17-0000)	\$22.50	\$19.00	\$23.00	\$16.58
Arts, Design, Entertainment, Sports, and Media (27-0000)	\$15.00	\$12.00	\$15.00	\$11.30
Building and Grounds Cleaning and Maintenance (37-0000)	\$9.00	\$9.50	\$10.00	\$9.00
Business and Financial Operations Occupations (13-0000)	\$15.00	\$14.68	\$15.00	\$14.40
Community and Social Services Occupations (21-0000)	\$12.00	\$11.75	\$13.00	\$12.00
Computer and Mathematical Occupations (15-0000)	\$13.00	\$17.00	\$21.08	\$14.41
Constructive and Extraction Occupations (47-0000)	\$12.40	\$13.98	\$14.89	\$11.67
Education, Training, and Library Occupations (25-0000)	\$10.75	\$12.00	\$12.00	\$10.95
Farming, Fishing, and Forestry Occupations (45-0000)	\$9.50	\$10.00	\$10.00	\$10.00
Food Preparation and Serving Related Occupations (35-0000)	\$8.62	\$9.00	\$10.00	\$8.75
Healthcare Practitioners and Technical Occupations (29-0000)	\$12.51	\$13.05	\$11.50	\$13.00
Healthcare Support Occupations (31-0000)	\$11.36	\$12.00	\$12.00	\$10.50
Homemaker*				
Installation, Maintenance, and Repair Occupations (49-0000)	\$10.25	\$11.00	\$11.81	\$10.00
Legal Occupations (23-0000)	\$16.05	\$15.00		\$13.06
Life, Physical, and Social Science Occupations (19-0000)	\$15.88	\$15.50	\$16.00	\$14.00
Management Occupations (11-0000)	\$11.67	\$12.50	\$14.00	\$12.30
Military Specific Occupations (55-0000)	\$8.00	\$16.60	\$11.05	\$10.00
Office and Administrative Support Occupations (43-0000)	\$9.00	\$9.50	\$10.00	\$9.00
Personal Care and Service Occupations (39-0000)	\$10.00	\$10.00	\$10.00	\$9.00
Production Occupations (51-0000)	\$10.00	\$9.00	\$11.00	\$10.00
Protective Service Occupations (33-0000)	\$10.00	\$11.50	\$11.00	\$10.12
Randolph-Sheppard Vending Facility Clerk*				
Randolph-Sheppard Vending Facility Operator*				
Sales and Related Occupations (41-0000)	\$8.50	\$9.00	\$10.00	\$9.00

SOC	2014	2015	2016	2016 National Agency Type
Transportation and Material Moving Occupations (53-0000)	\$8.64	\$9.75	\$10.00	\$9.33
Unpaid Family Worker*				
Total employment outcomes	\$9.00	\$9.90	\$10.00	\$9.35

Data source: RSA-911

Table 4.6 (MA-G) Source of Referral Codes for Individuals with Disabilities under Age 25 at Exit—FFYs 2014–2016

Referral Sources	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	National Agency Type Number	National Agency Type Percent
American Indian VR Services Program		0.00%		0.00%	1	0.03%	25	0.03%
Centers for Independent Living		0.00%		0.00%		0.00%	71	0.07%
Child Protective Services		0.00%	1	0.03%	2	0.07%	72	0.07%
Community Rehabilitation Programs	163	5.42%	179	5.38%	178	6.08%	1,772	1.84%
Consumer Organizations or Advocacy Groups		0.00%	3	0.09%	6	0.20%	328	0.34%
Educational Institutions (elementary/secondary)	1,511	50.23%	1,677	50.39%	1,535	52.41%	54,828	56.83%
Educational Institutions (post-secondary)	148	4.92%	135	4.06%	151	5.16%	3,049	3.16%
Employers		0.00%		0.00%	2	0.07%	98	0.10%
Faith Based Organizations		0.00%		0.00%	1	0.03%	88	0.09%
Family/Friends	6	0.20%	39	1.17%	96	3.28%	4,182	4.33%
Intellectual and Developmental Disabilities Providers		0.00%	1	0.03%	11	0.38%	860	0.89%
Medical Health Provider (Public or Private)	65	2.16%	81	2.43%	53	1.81%	2,316	2.40%
Mental Health Provider (Public or Private)	2	0.07%	23	0.69%	40	1.37%	2,184	2.26%
One-stop Employment/Training Centers	19	0.63%	14	0.42%	14	0.48%	638	0.66%
Other Sources	541	17.99%	545	16.38%	376	12.84%	7,376	7.64%
Other State Agencies	1	0.03%	9	0.27%	19	0.65%	877	0.91%

Referral Sources	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	National Agency Type Number	National Agency Type Percent
Other VR State Agencies		0.00%	2	0.06%	3	0.10%	263	0.27%
Public Housing Authority		0.00%		0.00%		0.00%	103	0.11%
Self-referral	517	17.19%	579	17.40%	410	14.00%	14,897	15.44%
Social Security Administration (Disability Determination Service or District office)	9	0.30%	9	0.27%	5	0.17%	275	0.29%
State Department of Correction/Juvenile Justice		0.00%	3	0.09%	5	0.17%	1,429	1.48%
State Employment Service Agency		0.00%		0.00%	1	0.03%	153	0.16%
Veteran's Administration		0.00%		0.00%	3	0.10%	27	0.03%
Welfare Agency (State or local government)	26	0.86%	28	0.84%	17	0.58%	543	0.56%
Worker's Compensation		0.00%		0.00%		0.00%	30	0.03%

Data source: RSA-911

**Table 4.7 (MA-G) Reason for Closure Codes for Individuals with Disabilities
under Age 25 at Exit—FFYs 2014–2016**

Reason for Closure	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Achieved employment outcome	1,055	35.55%	1,081	32.88%	1,167	40.37%	31,041	32.60%
Unable to locate or contact	656	22.10%	820	24.94%	635	21.96%	21,811	22.91%
Transportation not feasible or available		0.00%	2	0.06%	3	0.10%	163	0.17%
Does not require VR services		0.00%	1	0.03%	1	0.03%	587	0.62%
Extended services not available		0.00%	1	0.03%	3	0.10%	95	0.10%
All other reasons	143	4.82%	197	5.99%	194	6.71%	10,353	10.87%
Extended employment		0.00%		0.00%		0.00%	65	0.07%
Individual in institution, other than a prison or jail	2	0.07%	4	0.12%	7	0.24%	183	0.19%
Individual is incarcerated in a prison or jail	1	0.03%	6	0.18%	6	0.21%	617	0.65%
Disability too significant to benefit from VR services	1	0.03%	6	0.18%	3	0.10%	635	0.67%
No longer interested in receiving services or further services	1,101	37.10%	1,165	35.43%	861	29.78%	29,510	30.99%
Death	9	0.30%	5	0.15%	11	0.38%	156	0.16%

Data source: RSA-911

Table 5.1.a (MA-G) Supported Employment Outcomes for All Individuals with Disabilities—FFYs 2014–2016

All Individuals with Disabilities with Supported Employment Outcomes	2014 Number	2014 Number	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Supported employment outcomes	166		186		250		12,755	
Average hourly wage for supported employment outcomes	\$10.17		\$ 10.01		\$ 11.31		\$ 9.67	
Average hours worked per week for supported employment outcomes	19.92		19.59		19.78		22.68	
Competitive supported employment outcomes	166	100.00%	186	100.00%	250	100.00%	12,714	99.68%
Average hourly earnings for competitive supported employment outcomes	\$10.17		\$10.01		\$11.31		\$9.68	
Average hours worked per week for competitive supported employment outcomes	19.92		19.59		19.78		22.67	
Competitive supported employment outcomes at 35 or more hours per week	19	11.45%	12	6.45%	24	9.60%	2,008	15.74%
Competitive supported employment outcomes meeting SGA	42	25.30%	37	19.89%	61	24.40%	3,555	27.87%
Competitive supported employment outcomes with employer-provided medical insurance	9	5.42%	7	3.76%	13	5.20%	782	6.13%

Data source: RSA-911

**Table 5.1.b (MA-G) Supported Employment Outcomes for Individuals with Disabilities
under Age 25 at Exit—FFYs 2014–2016**

Individuals under Age 25 with Disabilities with Supported Employment Outcomes	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Supported employment outcomes	45		62		64		5568	
Average hourly wage for supported employment outcomes	\$9.32		\$9.51		\$10.48		\$9.29	
Average hours worked per week for supported employment outcomes	19.91		18.12		17.9		22.19	
Competitive supported employment outcomes	45	100.00%	62	100.00%	64	100.00%	5557	99.80%
Average hourly earnings for competitive supported employment outcomes	\$9.32		\$9.51		\$10.48		\$9.30	
Average hours worked per week for competitive supported employment outcomes	19.91		18.12		17.9		22.19	
Competitive supported employment outcomes at 35 or more hours per week	4	8.89%	2	3.23%	2	3.13%	771	13.85%
Competitive supported employment outcomes meeting SGA	10	22.22%	10	16.13%	11	17.19%	1452	26.08%
Competitive supported employment outcomes with employer-provided medical insurance	2	4.44%	2	3.23%	1	1.56%	243	4.36%

Data source: RSA-911

Table 5.2.a (MA-G) Select VR and Supported Employment Services Provided for Individuals with Disabilities with Supported Employment Outcomes- FFYs 2014-2016

Training Services	2014	2014 Percent	2015	2015 Percent	2016	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of SE	166		186		250		12755	
College or university training	0	0.00%	0	0.00%	0	0.00%	16	0.10%
Four-year or university training	14	8.40%	21	11.30%	11	4.40%	135	1.10%
Junior or community college training	0	0.00%	1	0.50%	0	0.00%	164	1.30%
Occupational or vocational training	4	2.40%	3	1.60%	3	1.20%	933	7.30%
On-the-job training	6	3.60%	9	4.80%	4	1.60%	487	3.80%
Apprenticeship training	0	0.00%	0	0.00%	0	0.00%	8	0.10%
Basic academic remedial or literacy training	6	3.60%	8	4.30%	8	3.20%	113	0.90%
Job readiness training	110	66.30%	136	73.10%	110	44.00%	1,857	14.60%
Disability-related skills training	0	0.00%	2	1.10%	2	0.80%	345	2.70%
Miscellaneous training	50	30.10%	34	18.30%	40	16.00%	1,313	10.30%
Assessment	75	45.20%	75	40.30%	70	28.00%	8,390	65.80%
Diagnosis and treatment of impairment	88	53.00%	102	54.80%	110	44.00%	2,446	19.20%
Vocational rehab counseling and guidance	78	47.00%	184	98.90%	149	59.60%	5,542	43.40%
Job search assistance	4	2.40%	18	9.70%	24	9.60%	6,198	48.60%
Job placement assistance	138	83.10%	179	96.20%	150	60.00%	5,706	44.70%
On-the-job supports-short term	6	3.60%	6	3.20%	6	2.40%	1,116	8.70%
On-the-job supports-SE	94	56.60%	92	49.50%	69	27.60%	7,967	62.50%
Information and referral services	9	5.40%	26	14.00%	19	7.60%	2,316	18.20%
Benefits counseling	11	6.60%	29	15.60%	32	12.80%	1,228	9.60%
Customized employment services	0	0.00%	0	0.00%	1	0.40%	156	1.20%
Transportation	22	13.30%	35	18.80%	26	10.40%	3,762	29.50%
Maintenance	7	4.20%	10	5.40%	13	5.20%	3,452	27.10%
Rehabilitation technology	8	4.80%	9	4.80%	9	3.60%	575	4.50%

Training Services	2014	2014 Percent	2015	2015 Percent	2016	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Reader services	0	0.00%	0	0.00%	0	0.00%	2	0.00%
Interpreter services	1	0.60%	0	0.00%	2	0.80%	248	1.90%
Personal attendant services	0	0.00%	2	1.10%	0	0.00%	4	0.00%
Technical assistance services	0	0.00%	0	0.00%	0	0.00%	5	0.00%
Other services	23	13.90%	31	16.70%	31	12.40%	2,585	20.30%

Data source: RSA-911

Table 5.2.b (MA-G) Select VR and Supported Employment Services Provided for Individuals with Disabilities under Age 25 at Exit with Supported Employment Outcomes- FFYs 2014-2016

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Total number of SE	45		62		64		5,568	
College or university training	0	0.00%	0	0.00%	0	0.00%	9	0.20%
Four-year or university training	10	22.20%	11	17.70%	7	10.90%	71	1.30%
Junior or community college training	0	0.00%	1	1.60%	0	0.00%	99	1.80%
Occupational or vocational training	1	2.20%	0	0.00%	1	1.60%	470	8.40%
On-the-job training	1	2.20%	2	3.20%	1	1.60%	289	5.20%
Apprenticeship training	0	0.00%	0	0.00%	0	0.00%	4	0.10%
Basic academic remedial or literacy training	3	6.70%	3	4.80%	3	4.70%	101	1.80%
Job readiness training	31	68.90%	47	75.80%	27	42.20%	1,048	18.80%
Disability-related skills training	0	0.00%	1	1.60%	1	1.60%	175	3.10%
Miscellaneous training	16	35.60%	12	19.40%	16	25.00%	807	14.50%
Assessment	23	51.10%	25	40.30%	16	25.00%	3,663	65.80%
Diagnosis and treatment of impairment	26	57.80%	32	51.60%	28	43.80%	954	17.10%
Vocational rehab counseling and guidance	16	35.60%	62	100.00%	39	60.90%	2,412	43.30%
Job search assistance	2	4.40%	8	12.90%	11	17.20%	2,870	51.50%
Job placement assistance	40	88.90%	58	93.50%	39	60.90%	2,409	43.30%
On-the-job supports-short term	4	8.90%	3	4.80%	1	1.60%	522	9.40%
On-the-job supports-SE	20	44.40%	26	41.90%	11	17.20%	3,681	66.10%
Information and referral services	5	11.10%	14	22.60%	7	10.90%	976	17.50%
Benefits counseling	4	8.90%	8	12.90%	8	12.50%	422	7.60%
Customized employment services	0	0.00%	0	0.00%	0	0.00%	63	1.10%
Transportation	12	26.70%	16	25.80%	8	12.50%	1,378	24.70%
Maintenance	3	6.70%	3	4.80%	2	3.10%	1,188	21.30%
Rehabilitation technology	0	0.00%	2	3.20%	1	1.60%	213	3.80%
Reader services	0	0.00%	0	0.00%	0	0.00%	1	0.00%
Interpreter services	0	0.00%	0	0.00%	0	0.00%	68	1.20%
Personal attendant services	0	0.00%	0	0.00%	0	0.00%	1	0.00%
Technical assistance services	0	0.00%	0	0.00%	0	0.00%	1	0.00%

Training Services	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
Other services	10	22.20%	11	17.70%	8	12.50%	1,113	20.00%

Data source: RSA-911

Table 5.3.a (MA-G) Elapsed Time from Application to Eligibility for All Individuals with Disabilities Who Achieved Supported Employment Outcomes—FFYs 2014–2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 60 days	159	95.78%	177	95.16%	236	94.40%	10,918	85.60%
61 – 90 days	4	2.41%	9	4.84%	10	4.00%	903	7.08%
91 – 120 days	3	1.81%		0.00%	2	0.80%	387	3.03%
121 – 180 days		0.00%		0.00%	1	0.40%	309	2.42%
181 – 365 days		0.00%		0.00%	1	0.40%	185	1.45%
More than 1 year		0.00%		0.00%		0.00%	53	0.42%
Total SE	166		186		250		12,755	

Data source: RSA-911

Table 5.3.b (MA-G) Elapsed Time from Application to Eligibility for Individuals with Disabilities under Age 25 at Exit Who Achieved Supported Employment Outcomes—FFYs 2014–2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 60 days	43	95.56%	57	91.94%	58	90.63%	4,664	83.76%
61 – 90 days	1	2.22%	5	8.06%	4	6.25%	442	7.94%
91 – 120 days	1	2.22%		0.00%	2	3.13%	204	3.66%
121 – 180 days		0.00%		0.00%		0.00%	145	2.60%
181 – 365 days		0.00%		0.00%		0.00%	75	1.35%
More than 1 year		0.00%		0.00%		0.00%	38	0.68%
Total SE	45		62		64		5,568	100.00%

Data source: RSA-911

Table 5.4.a (MA-G) Elapsed Time from Eligibility to IPE for All Individuals with Disabilities Who Achieved Supported Employment Outcomes—FFYs 2014–2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	122	73.49%	125	67.20%	185	74.00%	9812	76.93%
4-6 months	20	12.05%	27	14.52%	27	10.80%	1752	13.74%
7-9 months	7	4.22%	6	3.23%	15	6.00%	592	4.64%
10-12 months	8	4.82%	12	6.45%	6	2.40%	262	2.05%
More than 12 months	9	5.42%	16	8.60%	17	6.80%	337	2.64%
Total SE	166		186		250		12,755	

Data source: RSA-911

Table 5.4.b (MA-G) Elapsed Time from Eligibility to IPE for Individuals with Disabilities under Age 25 at Exit Who Achieved Supported Employment Outcome—FFYs 2014–2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	24	53.33%	34	54.84%	32	50.00%	3853	69.20%
4-6 months	5	11.11%	6	9.68%	15	23.44%	963	17.30%
7-9 months	4	8.89%	5	8.06%	8	12.50%	350	6.29%
10-12 months	5	11.11%	7	11.29%	2	3.13%	165	2.96%
More than 12 months	7	15.56%	10	16.13%	7	10.94%	237	4.26%
Total SE	45		62		64		5,568	

Data source: RSA-911

Table 5.5.a (MA-G) Elapsed Time from IPE to Closure for All Individuals with Disabilities Who Achieved Supported Employment Outcomes—FFYs 2014–2016

Elapsed Time	2014 Number	2014 Percent Percent	2015 Number Number	2015 Percent Percent	2016 Number Number	2016 Percent Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	4	2.41%	1	0.54%	6	2.40%	450	3.53%
4 – 6 months	23	13.86%	25	13.44%	25	10.00%	2,520	19.76%
7 – 9 months	25	15.06%	45	24.19%	38	15.20%	2,363	18.53%
10 – 12 months	22	13.25%	18	9.68%	36	14.40%	1,820	14.27%
13 - 24 months	45	27.11%	47	25.27%	71	28.40%	3,118	24.45%
25 – 36 months	23	13.86%	22	11.83%	30	12.00%	1,118	8.77%
37 – 60 months	18	10.84%	19	10.22%	23	9.20%	872	6.84%
More than 5 years	6	3.61%	9	4.84%	21	8.40%	494	3.87%
Total SE	166		186		250		12,755	

Data source: RSA-911

Table 5.5.b (MA-G) Elapsed Time from IPE to Closure for Individuals with Disabilities under Age 25 at Exit Who Achieved Supported Employment Outcomes—FFYs 2014–2016

Elapsed Time	2014 Number	2014 Percent	2015 Number	2015 Percent	2016 Number	2016 Percent	2016 National Agency Type Number	2016 National Agency Type Percent
0 – 3 months	2	4.44%		0.00%	2	3.13%	150	2.69%
4 – 6 months	4	8.89%	10	16.13%	3	4.69%	871	15.64%
7 – 9 months	5	11.11%	10	16.13%	4	6.25%	952	17.10%
10 – 12 months	5	11.11%	9	14.52%	9	14.06%	831	14.92%
13 - 24 months	6	13.33%	17	27.42%	20	31.25%	1,511	27.14%
25 – 36 months	8	17.78%	8	12.90%	10	15.63%	576	10.34%
37 – 60 months	12	26.67%	7	11.29%	9	14.06%	469	8.42%
More than 5 years	3	6.67%	1	1.61%	7	10.94%	208	3.74%
Total SE	45		62		64		5,568	

Data source: RSA-911

Table 6.1 Massachusetts-General (MA-G) VR Resources and Expenditures—FFYs 2014–2016

VR Resources and Expenditures	2014	2015	2016*
Total program expenditures	\$60,903,538	\$62,077,884	\$67,252,571
Federal expenditures	\$42,721,295	\$43,260,599	\$38,753,058
State agency expenditures (4 th quarter)	\$18,182,243	\$19,809,693	\$27,128,086
State agency expenditures (latest/final)	\$18,182,243	\$18,817,285	\$28,499,513
Federal formula award amount	\$39,393,629	\$39,670,885	\$40,682,328
MOE penalty from prior year	\$1,906,320	\$1,285,857	\$54,005
Federal award amount relinquished during reallocation	\$0	\$0	\$0
Federal award amount received during reallocation	\$5,500,000	\$8,500,000	\$7,200,842
Federal funds transferred from State VR agency	\$0	\$0	\$0
Federal funds transferred to State VR agency	\$0	\$0	\$0
Federal award amount (net)	\$42,987,309	\$46,885,028	\$47,829,165
Federal award funds deobligated	\$266,014	\$0	\$0
Federal award funds used	\$42,721,295	\$46,885,028	\$47,829,165
Percent of formula award amount used	108.45%	118.18%	117.57%
Federal award funds matched but not used	\$266,014	\$0	\$0

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.2 Massachusetts-General (MA-G) Non-Federal Share and Maintenance of Effort—FFYs 2014–2016

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2014	2015	2016*
Match required per net award amount	\$11,634,431	\$12,689,340	\$12,944,869
Match provided (actual)	\$18,182,243	\$18,817,285	\$27,128,086
Match difference**	-\$6,547,812	-\$6,127,945	-\$14,183,217
Federal funds matched (actual)	\$42,987,309	\$46,885,028	\$47,829,165
Percent Federal funds matched	100.00%	100.00%	100.00%
Match from State appropriation	\$18,182,243	\$18,817,285	\$27,128,086
Percent match from State appropriation	100.00%	100.00%	100.00%
Match from Third-Party Cooperative Arrangements (TPCA)	\$0	\$0	\$0
Percent match from TPCAs	0.00%	0.00%	0.00%
Match from Randolph-Sheppard program	\$0	\$0	\$0
Percent match from Randolph-Sheppard Program	0.00%	0.00%	0.00%
Match from interagency transfers	\$0	\$0	\$0
Percent match from interagency transfers	0.00%	0.00%	0.00%
Match from other sources	\$0	\$0	\$0
Percent match from other sources	0.00%	0.00%	0.00%
MOE required	\$19,468,100	\$18,871,290	\$18,182,243
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$18,182,243	\$18,817,285	\$27,128,086
MOE difference**	\$1,285,857	\$54,005	-\$8,945,843

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

** A positive amount indicates a deficit. A negative amount indicates a surplus.

Table 6.3 Massachusetts-General (MA-G) Program Income and Carryover—FFYs 2014–2016

Program Income and Carryover	2014	2015	2016*
Program income received	\$4,774,189	\$4,213,631	\$6,952,029
Program income disbursed	\$4,774,189	\$4,213,631	\$1,482,308
Program income transferred	\$159,390	\$0	\$0
Program income used for VR program	\$4,614,799	\$4,213,631	\$1,482,308
Federal grant amount matched	\$42,987,309	\$46,885,028	\$47,829,165
Federal expenditures and unobligated funds 9/30	\$36,251	\$155,793	\$12,458,992
Carryover amount	\$32,926,245	\$29,935,971	\$15,410,440
Carryover as percent of award	76.60%	63.85%	32.22%

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table 6.4 Massachusetts-General (MA-G) RSA-2 Expenditures—FFYs 2014–2016*

RSA-2 Expenditures	2014	2015	2016
Total expenditures	\$61,442,601	\$61,946,229	\$65,987,158
Administrative costs	\$21,849,183	\$18,641,512	\$20,237,897
Administration as Percent expenditures	35.56%	30.09%	30.67%
Purchased services expenditures	\$21,995,267	\$23,937,100	\$26,087,447
Purchased services as a Percent expenditures	35.80%	38.64%	39.53%
Services to groups	\$0	\$0	\$0
Services to groups percentage	0.00%	0.00%	0.00%

*Expenditures for RSA-2 data represent current FFY expenditures and carryover from prior FFY. Therefore, these figures may differ from the expenditures in Tables 6.1, 6.2, and 6.3 which are from SF-425 reports.

APPENDIX B: DOCUMENTATION REVIEW RESULTS

Data Element	Number with required documentation	Number without required documentation	Percent with required documentation	Percent without required documentation
Date of Application	17	13	56.67	43.33
Date of Eligibility Determination	28	2	93.33	6.67
Date of IPE	28	2	93.33	6.67
Start Date of Employment in Primary Occupation at Exit or Closure	29	1	96.67	3.33
Weekly Earnings at Exit or Closure	31	0	100	0
Employment Status at Exit or Closure	31	0	100	0
Type of Exit or Closure	31	0	100	0
Date of Exit or Closure	31	0	100	0

Summary	Number (of 30)	Percent (of 30)
Files with all required documentation	12	40.0
Files with documentation for four or data elements examined	18	60.0
Files with no required documentation	0	0.00

APPENDIX C: AGENCY RESPONSE

A. Overview

This appendix contains MRC's responses to recommendations and corrective actions identified in the monitoring, along with MRC's requests for technical assistance to address them, and RSA's responses, as appropriate.

For corrective actions to improve program and fiscal performance, as well as to improve administration of the VR program, MRC must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete each corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the corrective action has been resolved. RSA anticipates that the corrective action plan can be developed and submitted online using the RSA website at rsa.ed.gov within 45 days from the issuance of this report. RSA is available to provide technical assistance to enable MRC to develop the plan and undertake the corrective actions.

For recommendations to improve program and fiscal performance as well as to improve administration of the VR program, MRC will report to the review team, on a quarterly basis, progress on the implementation of recommendations.

B. Agency Responses

RECOMMENDATIONS

RSA recommends that MRC:

2.1. Quality of Employment Outcomes

- 2.1.1 Continue its efforts to build its business services model not only to obtain placements and assistance in providing pre-employment transition services, but also to gain employer referrals to businesses with higher paying employment opportunities;
- 2.1.2 Take steps to create a culture of high expectations among its staff, consumers, and their families, and put in place programs, services and supports, that address the fear of losing Social Security benefits, promote strategies for future financial planning, and build confidence to succeed in employment and maximize earning potential;
- 2.1.3 Identify and address the factors that contribute to the pattern of decreasing service provision in nearly all service categories, and analyze those services that result in higher quality employment; and
- 2.1.4 Project its performance on the common measure median hourly earnings in unsubsidized employment during the second quarter after exit and develop a goal and timeline for achieving a higher performance target.

Agency Response: (Response to Recommendation 2.1.1) MRC's leadership is committed to expanding a business service model and ensuring exposure to employers in higher paying

employment sectors to obtain placements in the provision of pre-employment services. MRC will capitalize on utilization of our Account Management/Job Placement program and will expand this to incorporate pre-employment transition services and to seek job leads with businesses with higher paying employment opportunities. Strategies include employer hiring events, local and statewide recruitment of employers, expansion of employer advisory boards, job-driven trainings with employers to promote higher wages and benefits. MRC will conduct a salary survey of available jobs in the Commonwealth of Massachusetts to assist counselors. MRC will also provide an orientation to the MRC provider network on strategies seeking higher wage employment opportunities.

(Response to Recommendation 2.1.2): MRC's leadership will develop strategies to create a culture of high expectations for stakeholders. MRC is committed to enhancing Project IMPACT - our benefits planning program - to ensure that staff, consumers and families are educated regarding financial literacy and career trajectories. MRC staff will be trained on family informed service delivery approaches and additional, evidence-informed approaches that meet the needs of our consumers. As part of this training, MRC will conduct training on work incentives such as ticket to work, PASS plans and impairment-related work expense. MRC will collaborate with our workforce partners, career centers, and other state agencies to educate consumers, families, and WIOA partners and leverage existing resources.

(Response to Recommendation 2.1.3): MRC management remains committed to developing strategies and practices to make sure high quality employment outcomes are a primary focus of the service delivery process. MRC will conduct an analysis of service provision to identify trends and patterns and identify any factors in decreasing service provision. A report will be developed based on the analysis of the data, which will inform the establishment of working groups to identify service gaps and best practices from across the US. We are currently engaging WINTAC and UMass Institute for Community Inclusion to identify exemplary practices in VR.

(Response to Recommendation 2.1.4): MRC leadership, management, supervisory and counseling staff are committed to utilizing the median hourly wage common measure to increase consumer wages. MRC will developed a process to both project and track median hourly earnings. Additionally, MRC will track median hourly wage data, and develop a salary survey of jobs in the Commonwealth of Massachusetts, to further understand the Massachusetts employment context and opportunities with higher wages. MRC will create a workgroup of counseling and job placement staff, providers and consumers to develop career pathways and a cultural change to achieve a higher performance target that addresses increased wages and higher hours to ensure that we will meet the median wage common measures. Trainings will be developed based on developed strategies for achieving greater success on the Common Performance measures.

Technical Assistance: MRC requests technical assistance on recommendation 2.1.2

2.2 Accurate Coding and Reporting of Services Provided

2.2.1 Use its service record review process to identify casework practices that result in inaccurate recording and reporting of services provided;

- 2.2.2 Provide staff training to achieve accurate recording of services provided, including that the IPE contain all services needed and provided to achieve the vocational goal, including providers of comparable benefits and services, until consistency and accuracy is achieved; and
- 2.2.3 Monitor IPE content, case recording and statistical reporting to ensure that accurate data regarding services provided is being reported on the RSA-911.

Agency Response: (Response to Recommendation 2.2.1): MRC will enhance our service record review process, which will include random sampling throughout the year to ensure accuracy of service reporting. Findings will be reviewed with staff, supervisors, and management to make corrections and to inform training efforts on accurate coding of services. MRC is committed to developing and moving towards an EDM/paperless case record system to improve and monitor the accuracy of reporting.

(Response to Recommendation 2.2.2): MRC management and supervisory staff will work with its training department to develop a series of trainings to ensure the accurate recording of services provided, including that the development of IPEs that contain all services needed and provided to achieve employment goals. Training will include a focus on coding and reporting of comparable benefits and services provided by other providers and agencies. As MRC moves toward EDM paperless case record system, this will facilitate monitoring and long-term improvements in this process.

(Response to Recommendation 2.2.3): MRC management will establish case records review strategies and plan to track and ensure accuracy of service reporting. In particular, MRC will ensure that comparable benefits - as an example - are included in the context of the IPEs, and the case records review process will ensure us that this process is accurate. MRC will analyze these data, and use data to educate management. Reports will be produced based on the findings that will be reviewed with staff, supervisors, and management to make corrections and to inform training efforts on accurate coding of services provided and reported to RSA.

Technical Assistance: MRC requests technical assistance on recommendation 2.2.1

3.1 Employment Outcomes

- 3.1.1 Implement strategies, internal and external, to strengthen job training opportunities and services while setting high expectations for students to enter high quality employment with opportunities for maximizing employment and career advancement;
- 3.1.2 Identify, develop, and execute strategies that lead to better engagement with students and youth receiving services to promote completion of their IPEs and prevent premature exit from the VR process prior to achieving successful employment outcomes; and
- 3.1.3 Reinforce with staff that while work experience can assist in preparing students and youth for a career, it does not constitute necessarily an employment outcome, but a step toward fulfilling the ultimate career goal.

Agency Response: (Response to Recommendation 3.1.1): MRC is committed to enhancing strategies to strengthen job training opportunities in partnership with our WIOA partners (e.g., schools, Career Centers) to maximize career advancement. In addition, MRC will work with our

Statewide Employment Collaboratives and employer accounts to engage employers to better understand their workforce needs, and to develop trainings to meet the needs of consumers, staff and schools based on employment needs identified through our business advisory committees and employer accounts. We will continue to receive consultation from WINTAC, and develop staff trainings with and for our partners and MRC staff.

(Response to Recommendation 3.1.2): MRC will develop strategies based on lessons learned through the Transition Pathway Services (TPS) RSA youth grant to identify and implement best practices based on lessons learned from the grant to better engage with youth and reduce unsuccessful outcomes. MRC will work with WINTAC to receive technical assistance in this area and to develop best practices. Staff training will be developed based on identified strategies and best practices, as informed by youth. MRC will work closely with DESE in implementing these strategies.

(Response to Recommendation 3.1.3): MRC will work with WINTAC to receive technical assistance in preparing students and youth for careers by implementing best practices identified by WINTAC and incorporating lessons learned from the TPS grant award by RSA to MRC. MRC will develop and implement staff training and coaching to support a shift in current practice towards recognition that pre-employment transition services are a step towards an employment goal, but may not be employment outcomes.

Technical Assistance: MRC does not request technical assistance.

4.1 Coding and Reporting of Services Provided

- 4.1.1 Provide staff training to achieve accurate recording of services provided, including that the IPE contain all VR and supported employment services needed and provided, whether purchased, provided by agency staff, or as comparable benefits and services, to achieve the supported employment outcome goal; and
- 4.1.2 Monitor IPE content, case recording and statistical reporting to ensure that accurate data regarding services provided reflect all VR and supported employment services provided.

Agency Response: (Response to Recommendation 4.1.1): MRC management and supervisory staff will work with its training department to develop a series of trainings to ensure the accurate recording of services provided, including that the development of IPEs contain all VR and supported employment services needed and provided to achieve employment goals. Trainings will include a focus on coding and reporting of comparable benefits and services, services provided by agency staff, and/or those purchased through our provider community. As MRC moves toward an EDM paperless case record system, this will facilitate monitoring and long-term improvements in this process.

(Response to Recommendation 4.1.2): MRC management and supervisory staff teams will conduct case records reviews and staff training to make sure that data reported to RSA includes all VR and supported employment services delivered to consumers. MRC Case review team will utilize RSA case review instrument to validate the accuracy and quality of data and a summary report will be written by the team and provided to the Area Director, supervisor, and the

counselor to be addressed during supervision and if additional training is required, this can be provided by the supervisor and the training department.

Technical Assistance: MRC does not request technical assistance.

CORRECTIVE ACTIONS TO IMPROVE PERFORMANCE

2.1 Untimely Eligibility Determination

Corrective Action Steps: RSA requires that MRC:

- 2.1.1 Comply with 34 CFR §361.41(b)(1) by making eligibility determinations within the required 60-day period, or when appropriate, ensure a properly documented and approved eligibility determination extension is in place;
- 2.1.2 Fully assess and identify the factors leading to eligibility determinations exceeding 60 days (e.g. effective and efficient management of caseloads) and develop and implement a plan to address and correct the identified factors;
- 2.1.3 Develop and implement standards and strategies to ensure the prompt and equitable handling of referrals of individuals for vocational rehabilitation services in order to facilitate and demonstrate good faith efforts to assist individuals in making applications leading to assessments for determining eligibility in a timely manner in accordance with 34 CFR §361.41(a); and
- 2.1.4 Review the requirements for applications in 34 CFR §361.41(b)(2) and ensure that application forms are widely available throughout the State, particularly in the One-Stop centers established under section 121 of WIOA in accordance with 34 CFR §361.41(b)(3).

Agency Response: (Response to Finding 2.1.1): MRC has demonstrated improvement in making sure eligibilities are completed in 60 days over the past several years. MRC management and supervisors will continue their efforts to monitor and evaluate eligibility timeliness and management will use time and status reports and corrective actions to increase compliance in this area through quality assurance reports and case reviews.

(Response to Finding 2.1.2): MRC staff will assess trends and patterns, and develop and implement a monitoring plan to continue its efforts to ensure compliance in this area and enhance and refine its monthly quality assurance reports in this area to be reviewed with staff, supervisors, managers, and senior leadership to make appropriate corrective actions.

(Response to Finding 2.1.3): MRC management team is developing an order of selection (OOS). We will develop and implement policies and procedures to ensure prompt and equitable handling of VR referrals. This change should speed up the timeframe for new referrals entering eligibility. MRC will be sharing the draft of this OOS policy with RSA for comment, review, and approval. MRC will work in conjunction with the Statewide Rehabilitation Committee (SRC) to conduct appropriate public hearings, obtain input, and build this the new policy and procedure into the state plan.

(Response to Finding 2.1.4): MRC management will make sure that VR application forms are available at the Career Centers. MRC has assigned counselors to all the Career Centers, and we

are currently planning to have some offices co-locate within Career Centers, which will further facilitate access to applications and VR services as appropriate. In addition, MRC is currently working with State partners; these include DMH, DDS, and DTA, to ensure applications are available across all agencies serving our consumers. In addition, MRC is working with other WIOA partners to implement a shared web-based consumer dashboard known as Workforce Connect, to strengthen application information sharing.

RSA Response: RSA, in collaboration with MRC, will incorporate and refine the agency's responses into the Corrective Action Plan.

Technical Assistance: MRC does not request technical assistance.

2.2 Untimely Development of IPEs

Corrective Action Steps: RSA requires that MRC:

- 2.2.1 Comply with 34 CFR §361.45(a)(1) and (e) to ensure IPEs are developed within the 90-day Federal time frame from date of application;
- 2.2.2 Assess factors leading to untimely IPE development and develop and implement a plan to address these factors;
- 2.2.3 Evaluate current procedures for tracking and monitoring counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the development of internal control processes, use of case management tools, and supervisory review of timely IPE development; and
- 2.2.4 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

Agency Response: (Response to Finding 2.2.1): MRC recognizes that we need to greatly improve on IPE development within the 90 day Federal time frame. We have been and will continue to actively review caseload size, statuses and composition of these cases. This will allow counselors to utilize their time to develop IPEs in a timely manner. This will also be assisted by our plan to move towards Order of Selection. We will coach and train counselors that IPEs can be amended, so that IPEs can evolve over time. MRC will comply with this Corrective Action. MRC will also monitor the use of waivers where appropriate.

(Response to Finding 2.2.2): MRC will conduct case reviews and use findings to identify gaps and challenges, to inform and develop strategies to improve timely completion of IPEs. MRC will establish a working group of counselors, supervisors, managers and consumers to identify and implement best practices to ensure timely development of IPEs. MRC will continue to expand reporting and tracking of performance to ensure compliance.

(Response to Finding 2.2.3): MRC management will identify high performing staff in this area using data from our Case Management System. Based upon this, MRC will conduct a focus group of high performing counselors in this area to develop best practices in this area. A training will be developed through the training department and implemented based on these practices. MRC will build timely IPE development into staff performance reviews such as EPRS evaluations and review the monthly quality assurance report to continually assess and assure

compliance. MRC will develop and enhance its policies and procedures in this area. MRC has established an internal controls committee to evaluate existing internal controls and develop new controls.

(Response to Finding 2.2.4): MRC will develop a work plan to implement staff trainings based on identified best practices in timely IPE development. MRC will develop and enhance its policies and procedures to ensure timely development of IPE plans.

RSA Response: RSA, in collaboration with MRC, will incorporate and refine the agency's responses into the Corrective Action Plan.

Technical Assistance: MRC does not request technical assistance.

3.1 No Provision of Pre-Employment Transition Services to Potentially Eligible Students with Disabilities

Corrective Action Steps: RSA requires that MRC:

- 3.1.1 Immediately make pre-employment transition services available statewide to all students with disabilities regardless of whether they have applied or been determined eligible for VR services;
- 3.1.2 Immediately put systems, including documentation and data collection, in place to support and track the provision of pre-employment transition services, including paid work-based learning experiences, for potentially eligible students to the individual student level;
- 3.1.3 Revise policies and procedures to make clear that pre-employment transition services may be provided to potentially eligible students with disabilities who have not applied for VR services; and
- 3.1.4 Provide a cycle of staff training opportunities to support these changes in policy and procedure so that staff understands how to serve a potentially eligible student with a disability who has not applied for VR services.

Agency Response: (Response to Finding 3.1.1): MRC acknowledges the importance of moving quickly towards services and policies to implement practice, policy and training focused on potentially eligible students, and are working with WINTAC and RSA to address these issues. MRC will ensure collaboration with schools and other WIOA partners.

(Response to Finding 3.1.2): MRC is modifying its case management system to better track the provision of these services, and will be conducting staff trainings in this area. MRC will have an MRCIS web-based case management system release 6.9 to address this area on July 16, 2018.

(Response to Finding 3.1.3): MRC has revised its policies and procedures on Pre-Employment Transition Services to be clear that Pre-ETS may be provided to potentially eligible students. MRC has received input from RSA and WINTAC on this new policy. The new policy is targeted to be finalized and disseminated by Summer 2018. Trainings are being developed in partnership with WINTAC to provide guidance on new policies and procedures. The practice of serving potentially eligible students will be disseminated to our Schools, career centers and other WIOA partners.

(Response to Finding 3.1.4): MRC is working with WINTAC to develop a series of trainings for staff to understand best practices in serving potentially eligible student with disabilities who have applied for VR Services. MRC will make these trainings available on our learning management system (PACE) so staff can access as needed. These trainings will also be conducted at New Counselor Training. Underperforming offices and counselors will be identified and booster trainings will be provided. An annual refresher course will be offered to all staff.

RSA Response: RSA, in collaboration with MRC, will incorporate and refine the agency's responses into the Corrective Action Plan.

Technical Assistance: MRC requests technical assistance on Finding 3.1.1

3.2 Provision of Pre-Employment Transition Services Not Compliant with State IDEA Minimum Age Requirements

Corrective Action Steps: RSA requires that MRC:

- 3.2.1 Jointly adopt a minimum age for the provision of pre-employment transition services to students with disabilities that is not greater than Massachusetts' IDEA age for transition, which is currently age 14; and
- 3.2.2 Develop, implement, and provide instruction to staff on new policies to reflect the new agreed upon age.

Agency Response: (Response to Finding 3.2.1): MRC leadership has developed a new policy and procedure to adopt a minimum age of 14 for students with disabilities. MRC sought input from RSA in developing this policy. The new policy corresponds to the Massachusetts General Law for both MRC and MCB.

(Response to Finding 3.2.2): MRC's training department team will conduct staff trainings on new policies regarding servicing youth 14 and older, and is modifying its MRCIS case management system to reflect the new policy. This release will be implemented on July 16th, 2018. MRC will utilize mandatory attendance and tracking through our electronic training system (PACE) to ensure attendance and completion of training.

RSA Response: RSA, in collaboration with MRC, will incorporate and refine the agency's responses into the Corrective Action Plan.

Technical Assistance: MRC does not request technical assistance.

5.1 Internal Control Deficiencies

Corrective Action Steps: RSA requires that MRC:

- 5.1.1 Update policies, procedures, and internal controls to reflect new Federal requirements, as required by 34 CFR §361.50 and 2 CFR §200.302(b)(7);
- 5.1.2 Develop and implement written internal controls governing oversight of grant-supported activities, particularly with respect to contract monitoring, as required by 2 CFR 200.328(a); and

5.1.3 Revise and resubmit the SF-425s for FFY 2016 to accurately report all Federal and non-Federal expenditures and obligations.

Agency Response: (Response to Finding 5.1.1): MRC leadership has established an internal controls working group to assess existing internal controls, identify gaps and barriers, and develop solutions and strategies to enhance internal controls, all of which can be sustained in the long-term. The internal controls working group had its first meeting on June 11, 2018 to develop a work plan. Policies and procedures will reflect and comply with requirements in 34 CFR §361.50 and 2 CFR §200.302(b)(7). MRC will seek input from RSA with these new policies.

(Response to Finding 5.1.2): MRC has established a policy and procedure/internal control for contract monitoring that was shared with RSA and input from RSA has been incorporated into the policy. This will assist in monitoring and oversight of grant supported contracts. The District contract supervisors will provide oversight and monitoring and will implement corrective actions as required.

(Response to Finding 5.1.3): MRC will revise its policies and procedures, and analyze the existing data in order to develop a corrective action plan to resubmit applicable SF-425 reports to account for all Federal and non-federal expenditures and obligations.

RSA Response: RSA appreciates the agency's efforts in working toward addressing the corrective action items identified. Once the corrective action plan is developed, RSA will work with the agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. The finding and the required corrective action items remain unchanged.

Technical Assistance: MRC requests technical assistance on Finding 5.1.1 and 5.1.3.

5.2 Incorrect Assignment of Obligations and Expenditures to the Federal Award

Corrective Action Steps: RSA requires that MRC:

- 5.2.1 Update and implement policies and procedures to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance; and
- 5.2.2 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with Federal requirements for the areas mentioned in 5.2.1.

Agency Response (Response to Finding 5.2.1): The MRC Internal Controls workgroup will develop a set of recommendations regarding policies and procedures that address obligations and expenditures as they relate to periods of performance. MRC will then establish an Internal Controls implementation team to develop and implement new written policies and procedures.

(Response to Finding 5.2.2): MRC is committed to developing written internal control processes. The Internal Controls implementation team will develop and implement new written policies and procedures in compliance with Federal requirements.

Technical Assistance: MRC requests technical assistance on both 5.2.1 and 5.2.2.

5.3 Incorrect Assignment of Personnel Costs

Corrective Action Steps: RSA requires that MRC:

- 5.3.1 Cease using VR funds to pay for personnel costs that must be allocated to other cost objectives;
- 5.3.2 Revise and implement internal control policies or procedures to correctly assign personnel costs, including fringe benefits, to the correct cost objectives;
- 5.3.3 Revise FFY 2016, 2017 and 2018 SF-425 reports to remove unallowable and unallocable personnel costs; and
- 5.3.4 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with personnel cost allocation requirements and accurate SF-425 reporting.

Agency Response: (Response to Finding 5.3.1): MRC management is analyzing the data and currently putting systems in place to ensure discontinuance of using VR funds to pay for personnel costs that are non-VR cost objectives. MRC will develop a policies and procedures to ensure this practice is discontinued.

(Response to Finding 5.3.2): MRC management team will revise policies and procedures to correctly assign personnel costs to the appropriate cost objectives.

(Response to Finding 5.3.3): MRC leadership and management team will develop new policy, procedure and internal controls and will update its electronic time tracking system SSTA to appropriately allocate personnel cost. Prior SF-425 reports are not able to be updated in a manner that would accurately reflect the revised allocation due to current data constraints. Going forward with new internal controls and procedures, the reports will be accurate.

(Response to Finding 5.3.4): MRC is developing a policy and procedure on personnel cost allocation requirements. This allocation plan will be shared with RSA; MRC will need technical assistance from RSA and the Commonwealth regarding strategies to build this into our electronic Self Service Time and Attendance system.

RSA Response: RSA appreciates the agency's efforts in working toward addressing the corrective action items identified. Once the corrective action plan is developed, RSA will work with agency to determine if updated processes result in meeting Federal requirements and ongoing compliance. Additionally, RSA recognizes the time and effort necessary to make the required adjustments and will work with the agency during the course of the corrective action plan, including providing technical assistance as necessary, to ensure all steps required in the corrective action items are addressed.

The finding and the required corrective action items remain unchanged.

Technical Assistance: MRC requests technical assistance for Findings 5.3.3 and 5.3.4.

5.4 Prior Approval Requirements not met

Corrective Action Steps: RSA requires that MRC:

- 5.4.1 Develop and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements.

Agency Response: (Response to Finding 5.4.1): MRC management will finalize its policy and procedures on prior approval to ensure compliance with RSA policy and expectations as well as obtain guidance from RSA on the report then implement the revised practice. Once final, we will incorporate it into our internal control plan and process within the agency.

Technical Assistance: MRC does not request technical assistance.

6.1 Funding One-Stop Infrastructure Costs under the VR Program

Corrective Action Steps: RSA requires that MRC:

- 6.1.1 Retain sole responsibility for its non-delegable functions as a DSU, as required by 34 CFR §361.13;
- 6.1.2 Develop and implement procedures to participate in local area negotiations with the Local WDB, chief elected officials, and one-stop partners to develop a local MOU, and in an effort to determine the cost allocation methodology(ies) of calculating amounts each partner will contribute toward one-stop infrastructure costs.

Agency Response: (Response to Finding 6.1.1): MRC management will develop individual Infrastructure Funding Agreements (IFA) with local careers centers establishing both shared and infrastructure costs based on an analysis with each center that identify a budget and a mechanism to track and monitor actual expenditure. MRC staff will directly monitor these expenditures as required by 34 CFR §361.13.

(Response to Finding 6.1.2): MRC management will develop and implement procedures for developing separate Infrastructure Funding Agreements (IFA) with each Local WDB officials with a budget and mechanisms to track and monitor expenditures. MRC will work with local areas to determine cost allocation plan and reports for each local area and review on an annual basis.

Technical Assistance: MRC requests technical assistance on Corrective Action 6.1.1.